

NON



RÉMY COINTREAU

STATEMENT OF NON-FINANCIAL PERFORMANCE
EXTRACT FROM THE 2021/2022 UNIVERSAL REGISTRATION DOCUMENT

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RÉMY COINTREAU

STATEMENT
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EXTRACT
FROM THE 2021/2022
UNIVERSAL REGISTRATION
DOCUMENT

The Rémy Cointreau Group is one of the major operators in the global Wine & Spirits market with a portfolio of exceptional brands, which include Rémy Martin and LOUIS XIII cognacs and Cointreau liqueur.

The brands are mostly distributed by a network of subsidiaries established in the Group's various strategic markets.

Rémy Cointreau is listed on Euronext Paris. The free float represents approximately 42%. The Rémy Cointreau Group is controlled by the majority shareholder, the Andromède family holding company.

M E S S A G E F R O M T H E C H A I R M A N



— MARC HÉRIARD
DUBREUIL

2021/2022 will be remembered as an historic year for the Group: all of its key financial and non-financial indicators have risen to unprecedented highs.

Rémy Cointreau put in an excellent performance in 2021/2022. In another pandemic year, we have the work and dedication of our teams, their passion and outstanding expertise to thank for delivering these new record-breaking results.

As in previous crises, Rémy Cointreau showed that it has the tenacity to stay the course and stick to its targets: its sights are set firmly on the long term to address short-term uncertainties. We are reaping the fruits of this strategy.

2021/2022 will be remembered as an historic year for the Group: all of its key financial and non-financial indicators have risen to unprecedented highs.

With organic sales growth up 27.3%, we have comfortably outperformed the exceptional spirits segment and gained market share across all regions and for the bulk of our brands.

Yes, these results are spectacular. But we have also continued to plan for the future. True to our long-term commitments, the Group is investing in its strategic assets: its *eaux-de-vie*, production facilities and brands. The increased spend on marketing and communications is a major development, an investment that has consolidated the foundations of our two growth pillars: Cognac and Liqueurs & Spirits.

We can also be proud of how far we have come on our sustainability journey, reflecting our ambition of achieving sustainable growth and sharing the value created with all the Group's stakeholders, in line with our commitments to the Global Compact. First of all, with our people, who share in these outstanding results through our employee share purchase plan. Next, with all shareholders through the share buyback programme launched in June 2021, an attractive dividend policy and, of course, the robust Rémy Cointreau stock performance.

I would like to thank our shareholders for their trust and confidence in Rémy Cointreau, in some cases over many years.

As I come to the end of my term of office as Chairman of the Board of Directors in July, I'm confidently looking forward to passing on the baton to the next generation – a confidence shared by my sister Dominique and my brother François. The Group has long prepared for this changing of the guard, and the new generation is primed and ready to take over at the helm. Their attachment to the earth is deep and sincere, their passion for our craft is palpable and backed by sound professional training.

Over the past five years, Rémy Cointreau has made considerable progress with its transformation plan, shedding its old skin to be ready to face the challenges ahead. Now more than ever, our Group is geared up and ideally positioned to continue its forward march.

Revamped portfolio – The Group has beefed up and diversified its brand portfolio. The acquisition of three distilleries (Bruichladdich in 2012, Westland in 2016 and Domaine des Hautes Glaces in 2017) gives us a true Whisky Division and positions Rémy Cointreau to draw maximum benefit from the booming interest in the golden elixir.

Transition to more sustainable practices – Rémy Cointreau's roots run deep. Its *terroirs* are exceptional and it has lost no time in protecting them for future generations. Its "Sustainable Exception" plan will greatly accelerate and strengthen its roadmap. A bold €80 million investment plan over the next 10 years will see major advances in all three pillars: *Terroir*, People and Time.

Digital transition – E-commerce is a resounding success. With online sales now accounting for almost 10% of revenue, the Group has doubled its penetration compared to 2019/2020. And the platform developed by the Group allows its brands to set up new e-commerce sites quickly and efficiently. The Group has also formed a team to build up its databases, expand its analysis capability and strengthen customer relations.

Strengthened team – Last and most importantly, the new generation at the helm will have a team of around 2,000 dedicated and driven men and women around the world and an strengthened executive committee all pulling together with them. The aim? To be more efficient and agile in a world of fast-changing consumer trends.

With our strategic plan ahead of schedule and an efficient business model, our 2030 targets are confirmed as we look with confidence to the future. It only remains for me to wish the new generation the very best: may the wind be always at your back!

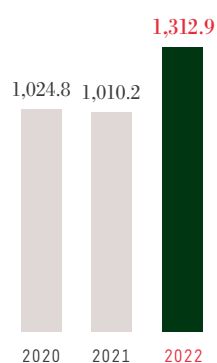
“OVER THE PAST FIVE YEARS, RÉMY COINTREAU HAS MADE CONSIDERABLE PROGRESS WITH ITS TRANSFORMATION PLAN, SHEDDING ITS OLD SKIN TO BE READY TO FACE THE CHALLENGES AHEAD. NOW MORE THAN EVER, OUR GROUP IS GEARED UP AND IDEALLY POSITIONED TO CONTINUE ITS FORWARD MARCH.”

KEY FIGURES

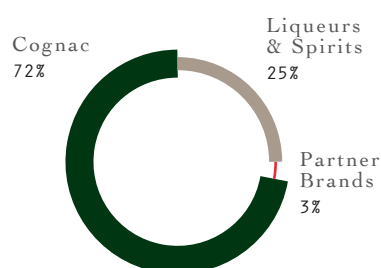
FINANCIAL DATA

DATA FOR THE PERIOD FROM 1 APRIL 2021 TO 31 MARCH 2022

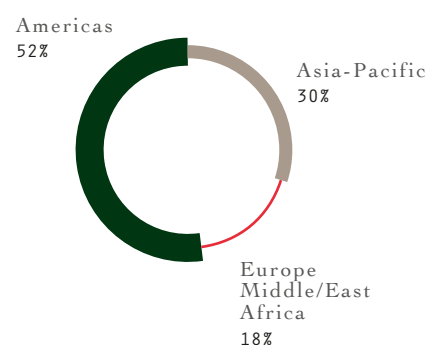
SALES (€M)



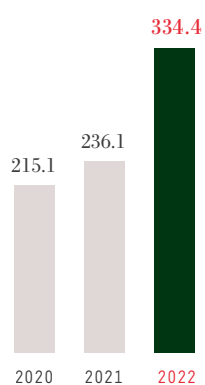
SALES BY DIVISION (%)



SALES BY GEOGRAPHIC AREA (%)



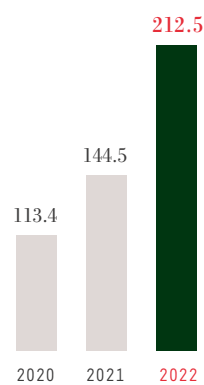
CURRENT OPERATING PROFIT (€M)



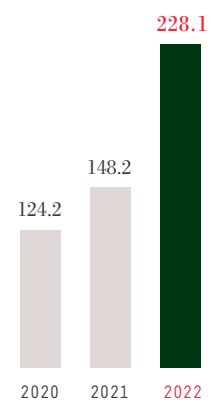
CURRENT OPERATING MARGIN (%)



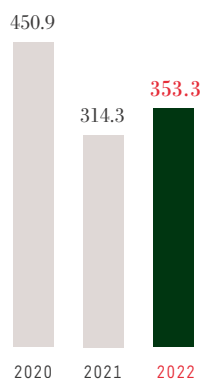
NET PROFIT - GROUP SHARE (€M)



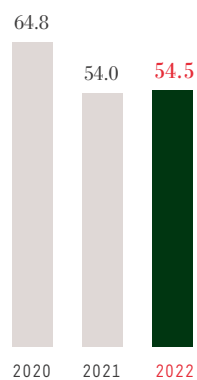
NET PROFIT EXCLUDING NON-RECURRING ITEMS (€M)



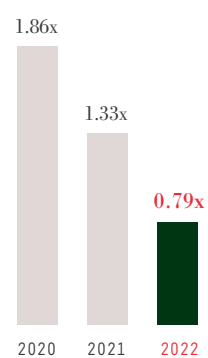
NET FINANCIAL DEBT (€M)



CAPITAL EXPENDITURE (€M)



RATIO OF NET DEBT/ EBITDA



... AND NON-FINANCIAL DATA

DATA FOR THE PERIOD FROM 1 APRIL 2021 TO 31 MARCH 2022

-9%

Change in the Group's carbon footprint per bottle compare to the previous year

44%

of renewable energies used at the Group's sites (26% in 2021)

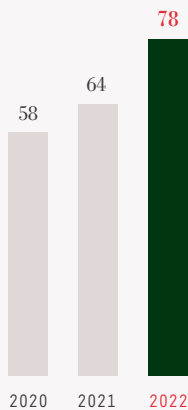
84/100

Gender equality index (83/100 in 2021)

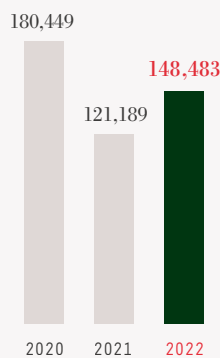
77%

of employee shareholders in France (0% in 2021)

PERCENTAGE OF AGRICULTURAL LAND MANAGED USING RESPONSIBLE AND SUSTAINABLE PRACTICES (in %)



GROUP CARBON FOOTPRINT ASSESSMENT (in Teq CO₂)



RATINGS AND AWARDS 2022



Climate Disclosure Project (CDP)

A - leadership status



Award for Best Sustainable Transformation for an SME

Awarded by the Leaders League, during the first edition of the Sustainable Transformation Summit



ABOUT THE GROUP

MAJOR MILESTONES IN THE GROUP'S HISTORY

The Rémy Cointreau Group, whose *charentaise* origins date back to 1724, is the result of the merger in 1990 of the holding companies of the Hériard Dubreuil and Cointreau families, which controlled E. Rémy Martin & C° SA and Cointreau & Cie SA respectively. It is also the result of successive alliances between companies operating in the same Wines and Spirits business segment.

KEY DATES AND EVENTS





2000

Acquisition of Bols Royal Distilleries including, in particular, the Bols and Metaxa brands

2001

Vin & Sprit joins the Maxxium network as its fourth partner

2008

Creation of a proprietary distribution structure

2009

- 30 March: Rémy Cointreau exits the Maxxium distribution joint venture
- 1 April: Rémy Cointreau controls 80% of its distribution

2012

- 3 September: acquisition of the Bruichladdich Distillery, which produces single malt whiskies on the isle of Islay in Scotland
- 20 November: François Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group
- 18 December: acquisition of the cognac company Larsen

2013

30 August: disposal of Larsen to the Finnish Altia Group

2016

1 December: set-up of a joint-venture for the activities of Passoa

2019

1 April: Rémy Cointreau sells its distribution subsidiaries in the Czech Republic and Slovakia

2020

- 30 April: Rémy Cointreau acquires the Cognac House J.R. Brillet
- 16 October: Rémy Cointreau acquires the House of Champagne Telmont



2006

- Disposal of the Dutch and Italian Liqueurs & Spirits operations
- Decision by Rémy Cointreau to resume full control over its distribution by March 2009

2011

8 July: Rémy Cointreau sells its Champagne division to EPI

2015

27 October: disposal of Izarra to Spirited Brands 2016

2017

- 5 January: acquisition of The Domaine des Hautes Glaces distillery, which produces single malt whiskies in the French Alps
- 6 January: acquisition of the Westland distillery, which produces single malt whiskies in the state of Washington, US
- 1 October: Marc Hériard Dubreuil becomes Chairman of the Rémy Cointreau Group

2005

- Initial public offering of Dynasty Fine Wines Group on the Hong Kong Stock Exchange
- Disposal of Bols' Polish operations to CEDC



GOVERNANCE THAT ENSURES CONTINUITY AND TRANSMISSION

THE BOARD OF DIRECTORS

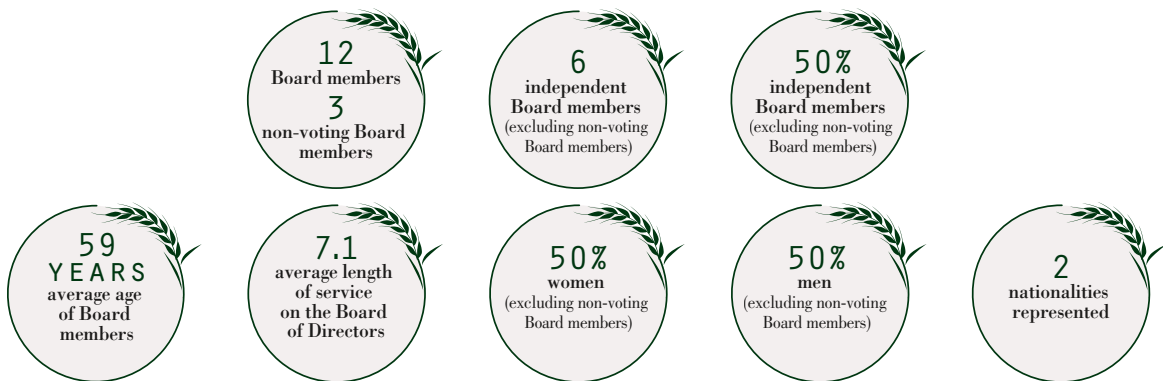
The Rémy Cointreau Group is administered by a Board of Directors which, since September 2004, has adopted a governance structure that separates the roles of Chairman of the Board of Directors and Chief Executive Officer. Competence and experience in the financial arena, the luxury goods sector and the management of large international companies are the selection criteria for Board

members. The presence of several members who are permanent residents in various other countries also lends a welcome international and cultural dimension to the Board of Directors' work, either because they have performed a role outside of France during their career, or because they hold or have held one or more appointments in non-French companies.



COMPOSITION OF THE BOARD OF DIRECTORS AT 31 MARCH 2022

The Board of Directors' membership is organised in order to achieve a balance between experience, skills, independence and ethical behaviour, while respecting in overall terms the balanced representation of women and men on the Board of Directors.



COMPOSITION OF THE BOARD OF DIRECTORS' COMMITTEES AT 31 MARCH 2022

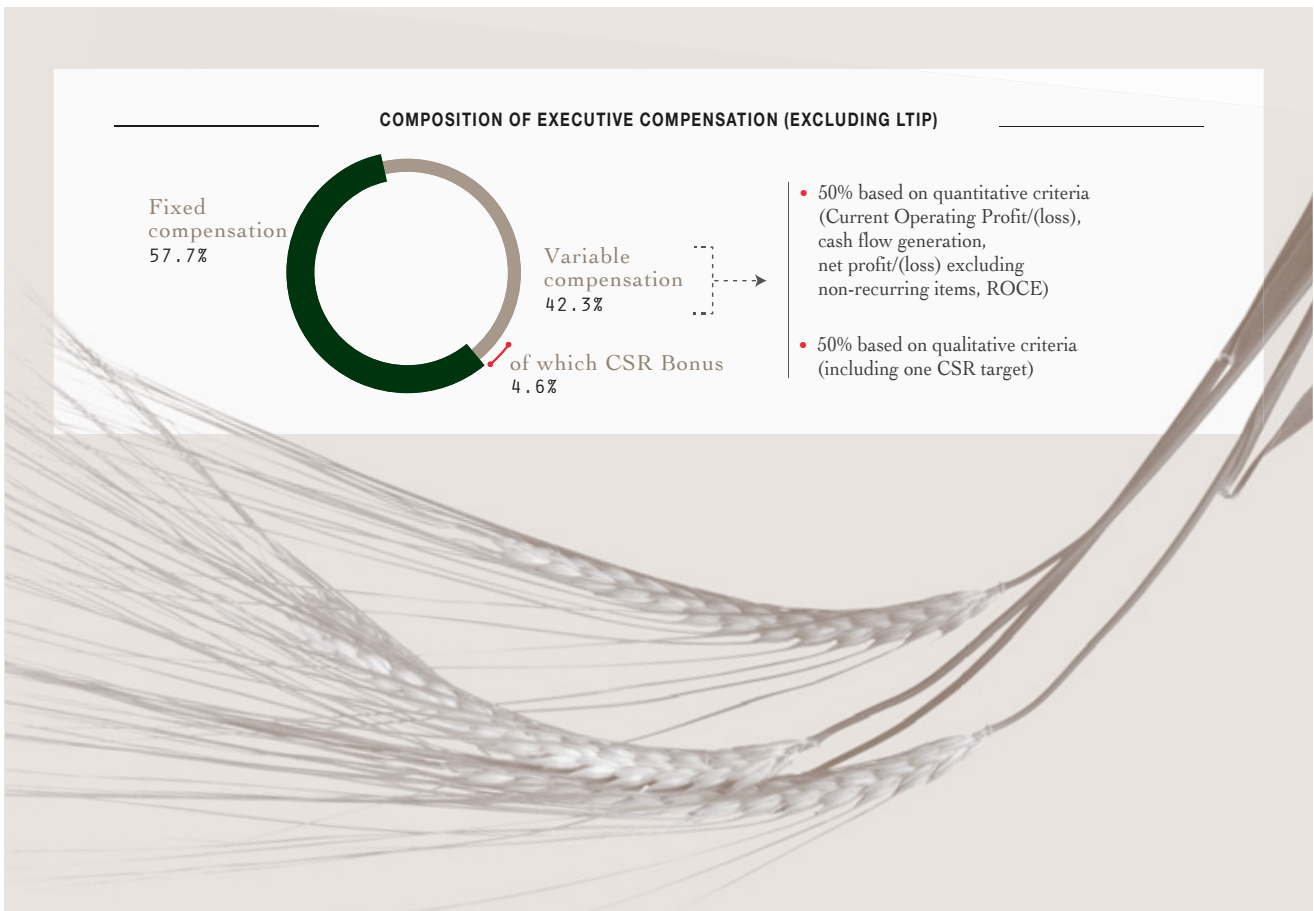
<p>Audit-Finance Committee</p> <p>4 members 75% independent</p> <p><u>Guylaine Saucier</u> * • Caroline Bois Emmanuel de Geuser * Marc Verspyck *</p>	<p>Nomination and Remuneration Committee</p> <p>4 members 50% independent</p> <p><u>Bruno Pavlovsky</u> * • Marie-Amélie de Leusse Olivier Jolivet * Gisèle Durand (Orpar)</p>	<p>Corporate Social Responsibility Committee</p> <p>4 members 50% independent</p> <p><u>Dominique Hériard Dubreuil</u> • Hélène Dubrule * Olivier Jolivet * Élie Hériard Dubreuil</p>
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* Chair of the committee. • Independence (in line with AFEP/MEDEF recommendations).

SENIOR MANAGEMENT

Group Chief Executive Officer since 1 December 2019, **Éric Vallat** announced on 29 March 2022, a new enlarged Executive Committee, comprising eleven directors from six different nationalities and from a range of backgrounds: spirits, cosmetics, fashion and accessories, and tableware. These changes will be fully effective from 1 September. The role of this Executive Committee is to implement the Group’s strategy for 2030, which aims to

continue its transformation, to build a more sustainable, profitable and responsible business model, based on four strategic levers: enhancing the value per case of its spirits, moving towards client-centric business model, optimising its portfolio management by accelerating the development of the flagship brands of Liqueurs & Spirits and implementing the “2030 Sustainable Exception” plan for more responsible growth.



(1) Including Taiwan, Macau and Hong Kong.

— A PORTFOLIO OF EXCEPTIONAL SPIRITS

The French family-controlled Rémy Cointreau Group boasts a portfolio of exceptional world-renowned spirits: Rémy Martin and LOUIS XIII cognacs, Cointreau liqueur, Greek Metaxa spirit, Mount Gay rum, St-Rémy brandy, The Botanist gin, and the single malt whiskies Bruichladdich, Port Charlotte, Octomore, Westland and Domaine des Hautes Glaces. Two new Houses recently enriched this portfolio: The Belle de Brillet liqueur and the Champagne House Telmont.

During the 2021/2022 financial year, the Group's sales totalled €1,312.9 million and Current Operating Profit (COP) came to €334.4 million. As such, sales were up by 27.3% and operating profit was up by 39.9% at constant scope and exchange rates. The current operating margin was 25.5%, reaching its all-time high.

The Rémy Cointreau Group's internal organisation is based on 11 brand divisions and four sales divisions (Americas, Europe-Middle/East-Africa, Asia-Pacific and Global Travel Retail). All these divisions receive support from the holding company. Depending on the spirit category, production process and geographic sales distribution, the Group's brands are allocated to one of the following two divisions: "Cognac" or "Liqueurs & Spirits".

Brands which Rémy Cointreau distributes through its network on behalf of third parties form a separate category, "Partner Brands".

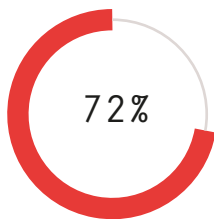


RÉMY COINTREAU'S GROUP BRANDS



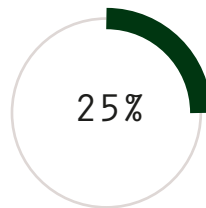
SALES BY DIVISION

▲
Cognac:
 Rémy Martin, LOUIS XIII
 and Brillet



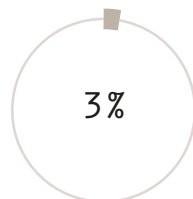
€948.3M
 in sales

▲
Liqueurs & Spirits:
 Cointreau, Metaxa, Mount Gay,
 St-Rémy, Telmont, Belle de Brillet,
 The Botanist and single malt whiskeys

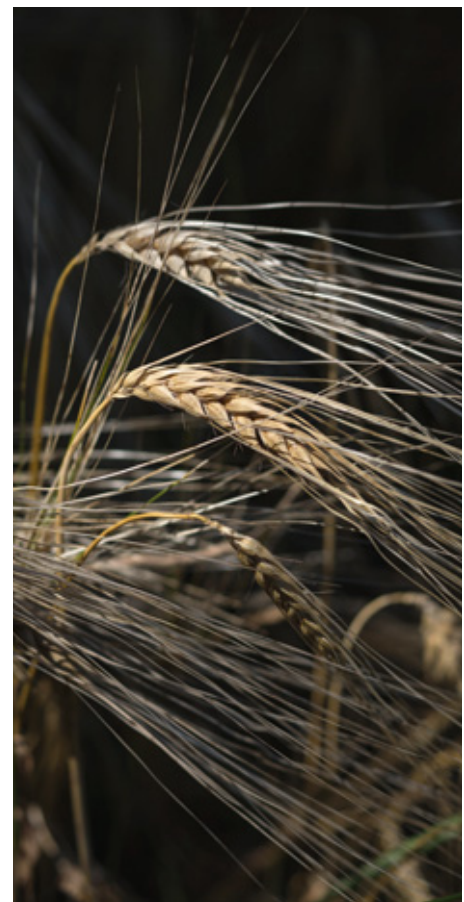


€333.2M
 in sales

▲
The Partner Brands division:
 Non-proprietary brands distributed
 by the Group



€31.3M
 in sales



COGNAC

COGNAC BRANDS

The Cognac division includes the brands of The House of Rémy Martin (Rémy Martin and LOUIS XIII) and the House of Brillet.

These cognacs are made exclusively from *eaux-de-vie* sourced in Grande Champagne and Petite Champagne, the two leading *crus* of the Cognac appellation, which offer the greatest ageing potential (more than 100 years, for some Grande Champagne *eaux-de-vie*).

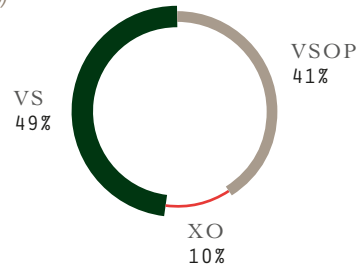
The House of Rémy Martin is positioned in the high-end segment, with four flagship products:

- VSOP Fine Champagne;
- the “intermediate” quality products: 1738 Accord Royal and CLUB;
- XO Excellence Fine Champagne;
- LOUIS XIII Grande Champagne.

COMPETITIVE POSITIONING

Four Cognac brands share around 84% of the world market by volume and nearly 88% by value (source: IWSR): Hennessy (LVMH), Martell (Pernod Ricard), House of Rémy Martin (Rémy Cointreau), and Courvoisier (Suntory). Rémy Martin’s market share of cognac shipments for all qualities combined is 13.6 % by volume (source: BNIC March 2022), up +0.5 pts compared to March 2021. Virtually all the shipments of the House of Rémy Martin are for the superior quality segment (VSOP and XO qualities), which accounts for 51.1% of the total cognac market (BNIC March 2022).

WORLDWIDE COGNAC SHIPMENTS BY QUALITY (source: BNIC)



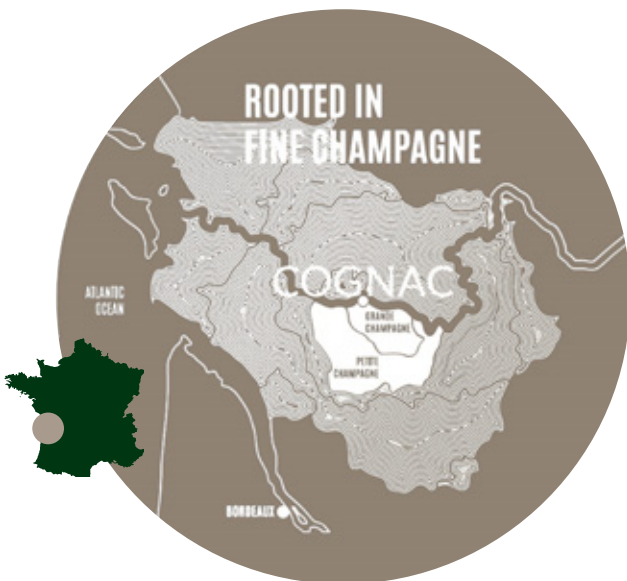
COGNAC APPELLATION D’ORIGINE CONTRÔLÉE AND “FINE CHAMPAGNE”

Cognac is an *appellation d’origine contrôlée* (AOC) brandy (*eaux-de-vie* distilled from grapes) that comes from vineyards in the Cognac region (south-west France). The appellation covers six *crus*: Grande Champagne, Petite Champagne, Borderies, Fins Bois, Bons Bois and Bois Ordinaires. “Fine Champagne”, which refers to a cognac made exclusively from the first two *crus*, Grande Champagne (at least 50%) and Petite Champagne make up a separate *appellation d’origine contrôlée* within the Cognac AOC.

Rémy Martin only selects its *eaux-de-vie* from the “Fine Champagne” (Grande Champagne and Petite Champagne) AOC, whose quality is best suited to the production of its superior quality cognacs with their longer ageing potential.

Cognac is a blend of *eaux-de-vie* of different vintages (after ageing in oak barrels). Accordingly, there are several quality levels classified in accordance with legal standards (BNIC) based on the youngest *eau-de-vie* used:

- VS (“Very Special”), which by law must be aged for a minimum of two years;
- QS (*Qualité Supérieure*), covering all the VSOP and QSS labels;
- VSOP (“Very Superior Old Pale”), which by law must be aged for a minimum of four years;
- QSS (*Qualité Supérieure Supérieure*), which by law must be aged for a minimum of ten years;
- XO (“Extra Old”), which is included in the QSS category.





THE HOUSE OF RÉMY MARTIN AND THE SOURCING OF EAUX-DE-VIE

All The House of Rémy Martin cognacs are produced in and around the town of Cognac, on a site that includes ageing and fermentation cellars, laboratories, a packaging complex, offices and a visitor and reception centre.

The House also owns wine estates (238 hectares of vines eligible for the Cognac appellation), as well as a new distillery in Juillac, which opened in November 2018. However, the stock of Cognac *eaux-de-vie* has been built up largely as a result of exclusive partnerships with Grande and Petite Champagne producers. This partnership policy, introduced in 1966, has enabled the Group to manage its long-term supplies and meet the quality standards required by The House of Rémy Martin.

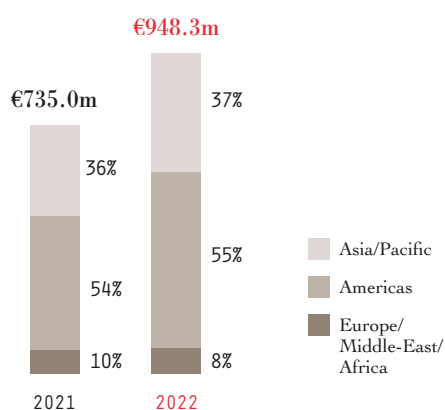
The partnership mainly consists of a cooperative, Alliance Fine Champagne (AFC), whose members manage around 60% of the Grande Champagne and Petite Champagne vineyards, via different types of collective and individual long-term agreements.

From an accounting point of view, the commitments made by the House of Rémy Martin through the AFC are fully recognised in the consolidated statement of financial position of the Rémy Cointreau Group, once the *eaux-de-vie* covered by these agreements have been produced and have passed quality control. Any contractual obligations not yet produced are disclosed in off-balance sheet commitments.

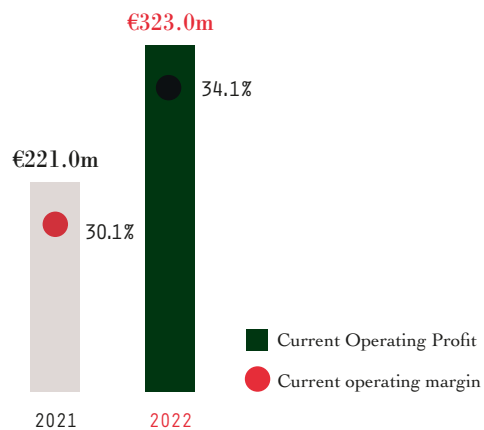
KEY FIGURES OF THE COGNAC DIVISION

In 2021/2022, the Cognac division accounted for 72% of the Group's total sales and generated 99% of its international sales. The Americas (55%) and Asia-Pacific (37%) are the division's top contributing regions, but the Europe-Middle-East-Africa region (8%) also offers medium-term growth potential.

SALES (in € millions) AND GEOGRAPHIC BREAKDOWN (in %)



CURRENT OPERATING PROFIT (in € millions) AND CURRENT OPERATING MARGIN (in %)



LIQUEURS & SPIRITS

LIQUEURS & SPIRITS BRANDS

The Liqueurs & Spirits division is made up of twelve wine and spirit brands in categories such as liqueurs, brandy, gin, single malt whisky, rum and Champagne. Within each category, the wines and spirits have particular characteristics, the main one being that all the brands are produced in their country of origin, often with know-how passed down through generations:

- Cointreau, an orange peel liqueur and Belle de Brillet, a Williams pear liqueur;
- Metaxa, a Greek brown spirit, produced from a blend of wine distillates and aged Muscat wine;
- Mount Gay, a rum from Barbados;

- St-Rémy, a French brandy;
- The Botanist, a gin from the Isle of Islay (Scotland);
- Bruichladdich, Port Charlotte and Octomore, three brands of single malt Scotch whisky from the Isle of Islay (Scotland);
- Domaine des Hautes Glaces and its range of single malt whiskies produced in the heart of the French Alps;
- Westland and its range of single malt whiskies produced in the state of Washington, US;
- Telmont, a winegrower's Champagne located in Damery, France;
- Belle de Brillet, a French pear & cognac *eaux-de-vie* liqueur.

COMPETITIVE POSITIONING

The Liqueurs & Spirits brands operate in a market characterised by a large number of players (of various sizes), with numerous international brands coexisting alongside local brands.

LIQUEURS & SPIRITS: SOURCING AND PRODUCTION SITES

The Group's Liqueurs & Spirits brands do not have significant sourcing or production constraints. Consequently, the Group purchases the necessary ingredients (barley, oranges, aromatics, sugar cane, grapes, etc.) for the *eaux-de-vie* distillation process, utilising the specific know-how of each brand. The Group's master distillers and blenders then take care of the ageing and blending of the *eaux-de-vie* as required.

The Rémy Cointreau Group also sub-contracts part of its bottling operations to other companies located abroad, in particular Greece for the production of Metaxa, for all markets. Sub-contracting represents 15% of the total volume of Group brands.



Angers (France)

The production of the Cointreau liqueur and the St-Rémy brandy range is located in St-Barthélémy d'Anjou (on the outskirts of Angers). This site also carries out bottling operations for other Group brands.

It comprises distilling facilities, fermentation cellars, laboratories, a packaging complex, offices, a visitor and reception centre.

Trièves (France)



The Domaine des Hautes Glaces, located in the heart of the Trièves region of the Alps, is a mountain farm/distillery which combines French know-how (distilling with traditional Charente stills) and ingredients from local producers. The supplies of barley, rye and spelt (organically grown) come exclusively from growers in the Alps.



Damery (France)

Founded in 1912, La Maison de Champagne Telmont is a hundred-year-old family-run House located in Damery, near Epernay on the slopes of the Marne valley. It is one of the last family-owned vineyards in Champagne and is based on a very demanding environmental commitment. Since 2017, more than a third of the grapes harvested are "AB" certified (organically produced) or are in the process of being converted.



Brandons and St-Lucy (Barbados)

Mount Gay rum is produced at the distillery of the same name, located close to Mount Gay in the north of the island of Barbados, in the parish of St-Lucy. The storage cellars in which the casks of rum are aged are also located at this historic site. Since January 2015, an additional 134 hectares of agricultural land at this site have been devoted to the farming of sugar cane. Mount Gay Distilleries' head office and bottling facilities are located in Brandons, close to the port of Bridgetown in the south of the island.



Isle of Islay (Scotland)

The Bruichladdich distillery is located on the Isle of Islay in Scotland, one of the world's most iconic locations for the production of single malt Scotch whiskies.

The production operation (distilling, ageing, bottling) is carried out on the island, on a historic site created in 1881. In March 2018, the acquisition of around 15 hectares of agricultural land was signed. This agricultural land adjoins the distillery, and will mainly be devoted to growing barley and trialling different varieties.



Seattle (US)

Westland Distillery (US), located in South Downtown Seattle in the state of Washington, gets its malt from producers in the *terroirs* of the Pacific North-West.



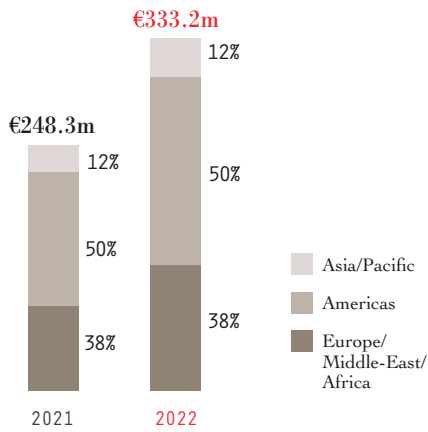
Samos (Greece)

As part of its *terroir* policy, the House of Metaxa acquired a 1.2 hectare wine property on the island of Samos, located at the heart of the island's muscat vineyards. Muscat wine is an essential component in Metaxa's signature taste.

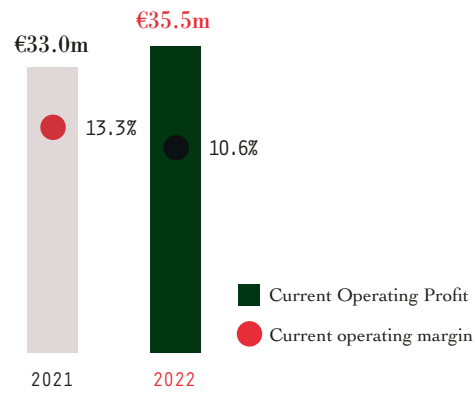
LIQUEURS & SPIRITS KEY FIGURES

In 2021/2022, the Liqueurs & Spirits division accounted for 25% of the Group's total sales. The Americas (50%) and the Europe-Middle-East-Africa region (38%) are the top contributing regions in the division. Although smaller (12%), Asia-Pacific represents a significant development opportunity for the division in the coming years.

SALES (in € millions)
AND GEOGRAPHIC BREAKDOWN (in %)



CURRENT OPERATING PROFIT (in € millions)
AND CURRENT OPERATING MARGIN (in %)



PARTNER BRANDS

In 2021/2022, Partner Brands accounted for 3% of the Group's total sales.

This category includes brands belonging to other operators in the Wines & Spirits sector. These are distributed by Rémy Cointreau under global agreements or agreements limited to a particular country or region.

Following the non-renewal of many distribution agreements in recent years (as part of the Group's move upmarket), the brands still distributed (as of 31 March 2022) are Passoã liqueur and certain spirits of the William Grant & Sons Group.

STRATEGY AND OBJECTIVES

— AN UNCHANGED AMBITION: TO BECOME THE GLOBAL LEADER IN EXCEPTIONAL SPIRITS

The Spirits market features an extensive number of co-existing local and international brands in a particularly competitive environment.

Against this background, Rémy Cointreau has, for many years, implemented a value creation strategy aimed at developing its upmarket brands in the high-end segments of the global markets, which offer high growth and earnings potential. Over the past 15 years, the implementation of this strategy has led the Group

to sell brands and other assets deemed less suited to its value creation strategy and to take full control of its distribution in key markets (exit from Maxxium in April 2009).

Since 2015, the Group has accelerated its strategy of moving upmarket so as to differentiate itself and emphasise its uniqueness: ultimately, the Group's ambition is to become the world leader in exceptional spirits.

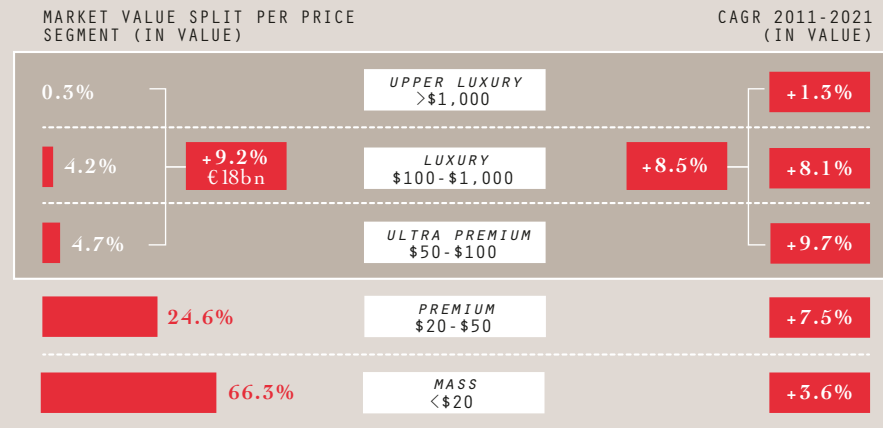


EXCEPTIONAL SPIRITS ENJOY AN ATTRACTIVE DYNAMIC

The Rémy Cointreau Group's positioning in the high-end segment of exceptional spirits is a very appropriate place to be: exceptional spirits are enjoying an attractive dynamic (+8.5% growth per year on average, compared with +4.8% for the spirits market as a whole

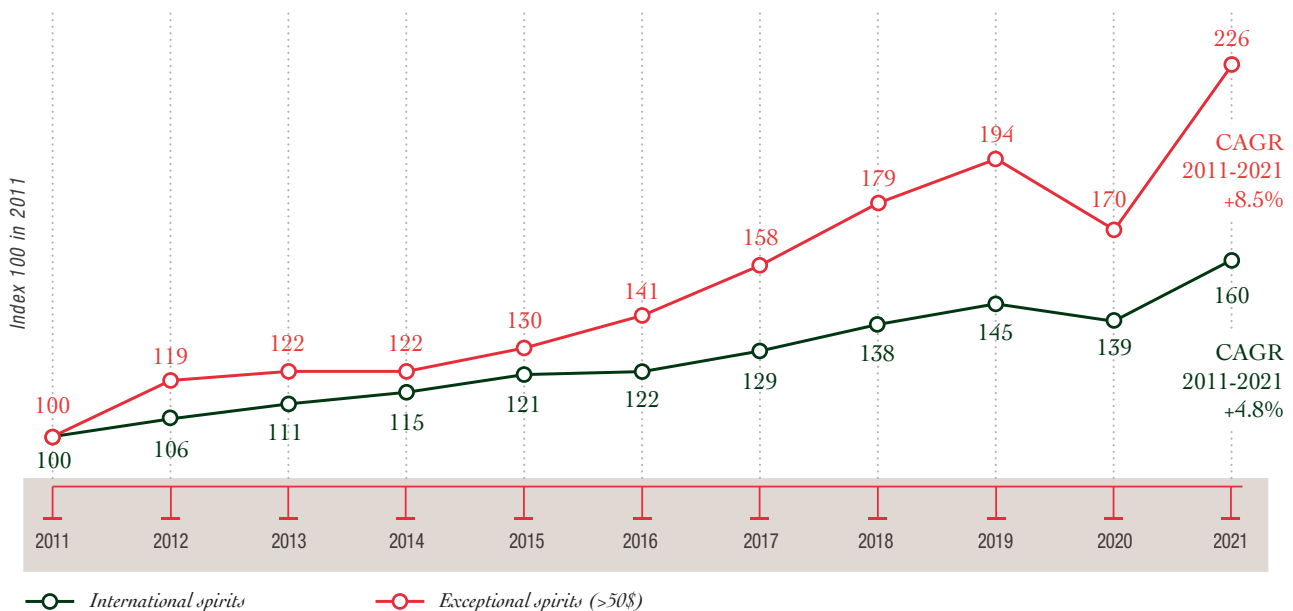
over the last 10 years), driven by a move towards the high-end of the market and an increasingly discerning clientele in terms of the quality, production, know-how and history of the spirits they consume.

Exceptional spirits: a fast-growing segment



Source: IWSR, Rémy Cointreau, international spirits market estimated at around USD 200 billion.

The exceptional spirits segment has structurally outperformed the global spirits market since 2011



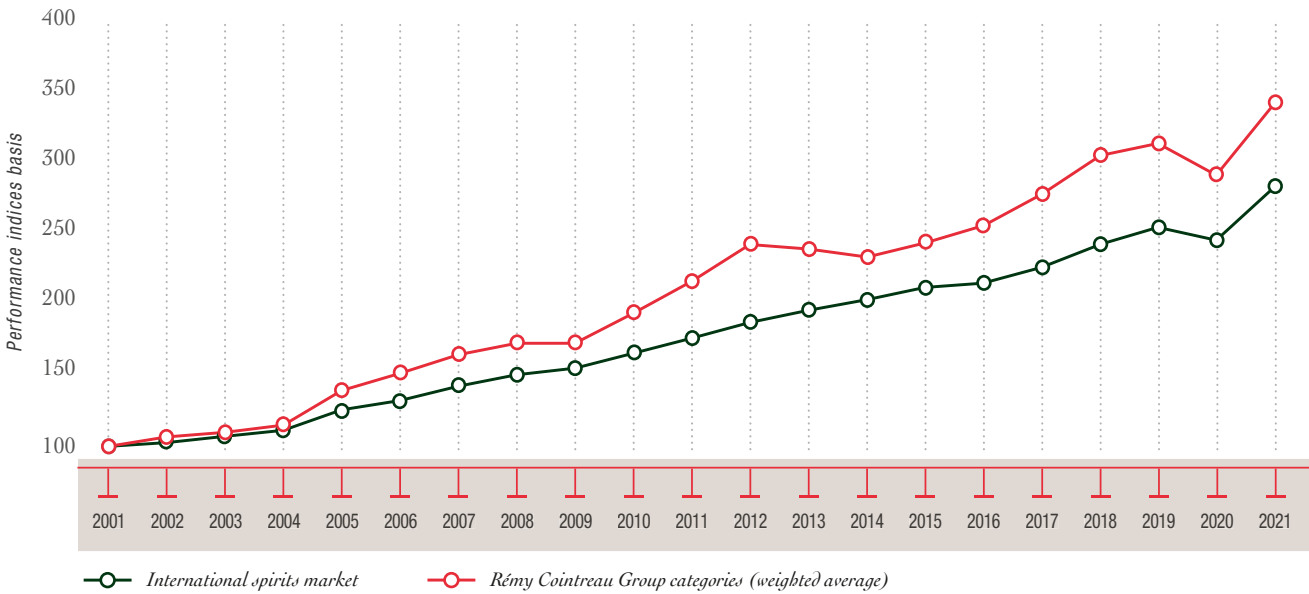
Source: IWSR, Rémy Cointreau.

POSITIONED IN FAST-GROWING CATEGORIES OF SPIRITS

In addition, Rémy Cointreau Group brands belong to categories of spirits (such as cognac, single malt whisky, dark rum or gin) that have benefited from strong momentum (+6.3% per year on average

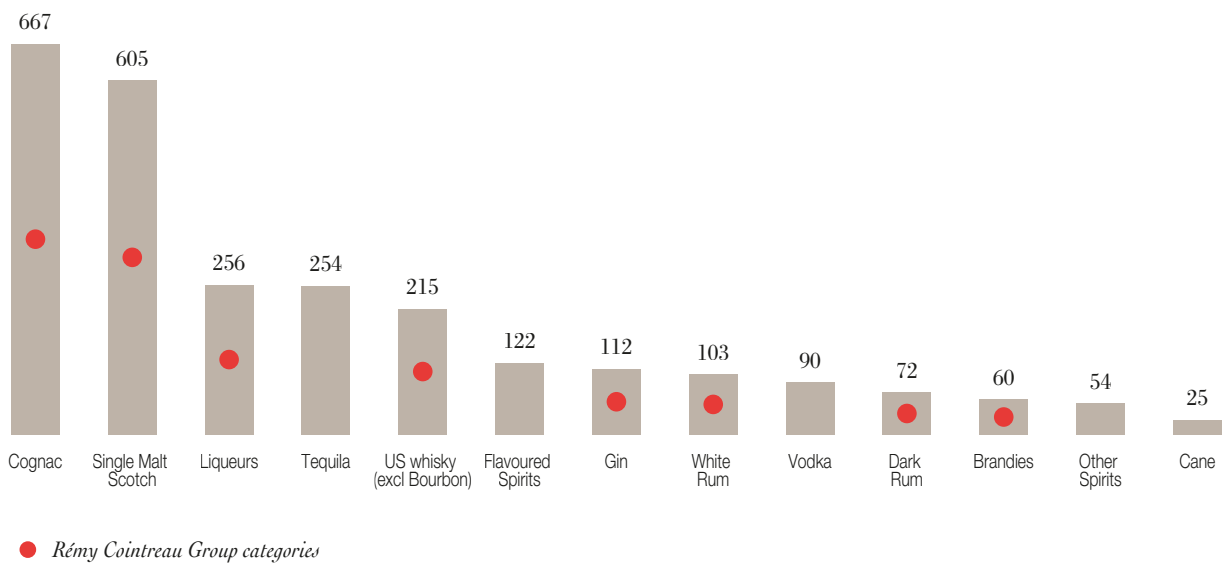
during the 2001/2021 period). The international spirits market grew +5.3% on average over the last twenty years.

Rémy Cointreau Group's categories structurally outperformed market growth



Correspondingly, these categories offer very attractive valuation levels ("value per case"): cognac, single malt whisky and liqueurs are the categories of spirits with the highest value per case on the market. As a result, the average value per case of the Group's brands portfolio was nearly €500, compared to just over €100 for the international spirits market.

Value per case by category of spirits (in €)



Source: IWSR, Rémy Cointreau.

— A NEW GENERATION OF CLIENTS

Beyond the changes observed in the context of the Covid pandemic (which have mainly accelerated pre-existing trends), consumers of high-end spirits have changed in recent years. More connected, from the upper middle classes, younger – millennials of generations Y and Z – they are looking for knowledge – from the

spirits, history, know-how, differentiation – but also an increasing demand for transparency on product quality. Our clients are also looking for a more convenient way of buying our spirits (growth of e-commerce), as well as more services, an enhanced shopping experience and a tailor-made offering.

New demographic

- Emergence of an affluent middle class
- Rise in the number of well-off households
- Younger clientele:
Millennials (generations Y and Z)

Proliferation of distribution channels and new technological challenges

- Proliferation of distribution channels (e-commerce, travel retail, direct, etc.)
- Growing importance of CRMs
- Personalisation of customer service



New consumer trends

- “Drinking less, but better”
- Increasingly sophisticated demand
- Better knowledge of spirits
- Interest in origins, know-how and authenticity
- Demand for transparency in terms of ingredients and respect for the environment
- Search for “meaningful brands” in step with their values
- Globalisation and digitalisation of consumption patterns

Increased mobility*

- Growth in international mobility
- Development of Travel Retail

* Observed in recent years but pending with the Covid pandemic.



A DISTRIBUTION NETWORK,
LOCAL KNOW-HOW,
INTERNATIONAL PRESENCE

DISTRIBUTION AND ADMINISTRATION

The Group has premises and commercial or administrative offices in many countries, including the USA (primarily New York), China (Shanghai and Hong Kong), Singapore, Russia and the United Kingdom (London and Glasgow). The Group does not own any premises in these countries and therefore uses leasing contracts.

Moreover, the registered office of Rémy Cointreau, which includes most of the Group's central services, is based in rented premises at 21, rue Balzac, Paris.

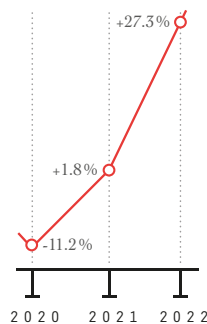
RÉMY COINTREAU BEGAN
BUILDING ITS DISTRIBUTION
NETWORK ACROSS ALL CONTINENTS
AT THE END OF THE 1950s.

Today, the Group has a dozen directly owned subsidiaries (from the United States to China, including the United Kingdom, Belgium, Malaysia and Japan). This distribution network allows the Group to implement a price strategy and to be selective about its sales outlets in a manner consistent with its high-end positioning.



RC
RÉMY COINTREAU
Group
€1,312.9m
in net sales

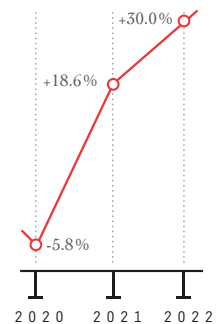
Organic sales growth for the Group



Americas

€683.3m
in net sales
52%
of Group sales

Organic sales growth for the zone



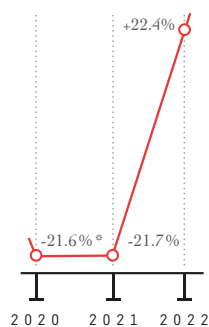


**Europe
Middle-East
& Africa**

€234.1m
in net sales

18%
of Group sales

Organic sales growth for the zone

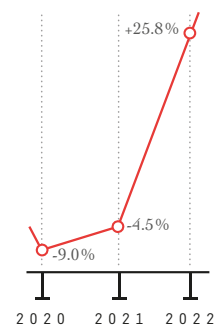


**Asia
Pacific**

€395.5m
in net sales

30%
of Group sales

Organic sales growth for the zone



* Organic decline largely attributable to the expiration of Partner Brand distribution contracts. Organic decrease of 6.4% for Group Brands.

— A NEW STEP IN THE VALUE STRATEGY

INTRODUCTION

THE FOUR STRATEGIC LEVERS

The transformation of Rémy Cointreau’s business model since 2015 (acceleration of the upgrading of the brand portfolio towards the high-end and the implementation of an end-client-centric culture) has clearly brought results. Between 2015 and 2019, the Group delivered average organic growth in sales of 7% *per annum* and its current operating margin rose by 4.4 points over the period. Since December 2019 the Group has moved on to a new step in its value strategy, which consists in optimising its portfolio strategy to build a more sustainable, profitable and responsible business model. Because such an in-depth transformation takes time, the Group has set its targets at 2030. This timeframe is also consistent with the Group’s mindset and raw material procurement planning for some of its brands, such as Rémy Martin XO.

1

ENHANCING THE VALUE PER CASE
OF OUR SPIRITS

The “portfolio strategy” consists in assigning a role to each Group brand to maximise the Group’s value per case and gross margin. The priority for the most profitable brands will thus be to step-up their growth (driven by increased investments), while the less profitable will have profitability improvement targets (by gradually refocussing them on their high-end products).

By increasing its gross margin, the Group will expand its investment capacity behind its priority brands, thus creating a virtuous circle of more sustainable and profitable growth.

2

MOVING FROM A “CLIENT-CENTRIC CULTURE”
TO A “CLIENT-CENTRIC BUSINESS MODEL”

During the past five financial years, the Group has implemented an end-client-centric culture by establishing direct and personalised relationships through human, media and digital investments to enhance brand appeal.

The Group is now seeking to move on to the next step by implementing a genuine client-centric business model. This should translate into a significant increase in the Group’s direct sales, whether through digital, own stores or its network of “Private Client Directors”. To do this, it must implement or strengthen the tools that will enable it to communicate with, educate, retain and sell directly to its clients.

3

ACCELERATING THE DEVELOPMENT OF THE LIQUEURS & SPIRITS PRIORITY BRANDS

The Liqueurs & Spirits portfolio still has significant growth prospects due to the fact that its brands are far from their full potential in their existing markets, in particular in terms of retail penetration.

Some brands have accordingly been identified as priorities to contribute to the Group's profitable growth. The expected mix and scale effects should gradually result in an improvement of the division's profitability, despite reinvestments in brand communication and education.

4

THE "SUSTAINABLE EXCEPTION" PLAN FOR MORE RESPONSIBLE GROWTH

After having defined its values (*Terroirs*, People, Time and Exception) in 2016, the Group is now seeking to reflect them through a responsible growth plan. The key concerns of the "Sustainable Exception" plan are ecological agriculture in all *terroirs* involved in crafting the Group's spirits, eco-design for all the brands' packaging and a gradual reduction of carbon emissions aligned with the international ambition of "Net Zero Carbon" by 2050.

Moreover, as a family-owned Group, Rémy Cointreau is a people-centric company, which deeply respects the Women and the Men that comprise it and who, through their know-how and commitment, contribute to the success of the Group and its strategy. Its ambition is to become even more inclusive, whether in terms of the representation of women, ethnic diversity or age within the decision-making bodies.

Lastly, thanks to its positioning in the exceptional spirits market, the Group is fully aware of its duty to set an example regarding responsible consumption. Accordingly, the Group promotes occasional consumption to celebrate exceptional moments, with moderation.

AN AMBITIOUS AND RESPONSIBLE STRATEGY FOR 2030

The Group has thus set itself five transformation targets for 2030:

- **a new business model for the LOUIS XIII brand**, featuring significant development of direct sales, breaking with the conventions of the industry;
- **an increased proportion of "intermediate" qualities** (1738 Accord Royal, CLUB) and XO quality at Rémy Martin;
- **an increased contribution from the Liqueurs & Spirits division** within the Group and a sharp improvement in its profitability;
- **superior pricing for all brands** within their respective categories;
- **development of digital channels to 20%** of the Group's sales.

— VALUE CREATION

THE GROUP'S DNA



TERROIR

- *Terroirs* of exception (Cognac, Islay, Samos, Barbados, etc.)
- **78%** of our agricultural raw materials are “responsible and sustainable agriculture” certified
- **100%** of our winegrowers within the AOC Cognac are committed to “High Environmental Value” agriculture



PEOPLE

- Preservation of ancestral know-how (cellar masters)
- Commitment to employee well-being
- Shared ethical responsibility



TIME

- Family-owned company since 1724
- Ageing of certain of our *eaux-de-vie* for more than 100 years
- Engaged governance to support the Group for the long term

EXCEPTIONAL SPIRITS THAT TASTE LIKE THEIR TERROIR...

High-end positioning in high-growth segments

A portfolio of 14 exceptional spirits

Adding value to our spirits (price/mix gains)

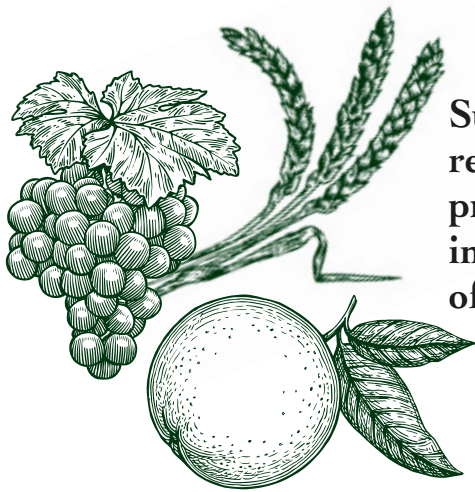
Reinforcement of brand recognition and attractiveness

Sustainable value creation

... AND CREATE VALUE

Portfolio management optimisation:

- clarification of each brand's mission within the Group;
- setting of priorities, maximising the investments behind the most profitable brands.



Sustained, responsible, profitable growth in sales; maximising of gross margin

Increase in investment capacity:

- brands (media, digital, education)
- the distribution network: development of a direct distribution network (shops, e-commerce, Private Client Directors...)
- product development with respect for the environment (responsible agriculture, eco-packaging, reduction of carbon emissions)

SHARED WITH ITS STAKEHOLDERS



EMPLOYEES

- Average Group salary: score of **105** compared with international benchmark
- Close to **30,000** hours of training



GOVERNMENT

- **€95.6 million** paid in corporate income tax in 2021/2022 (tax rate: 31.1%)



CIVIL SOCIETY

- **€2 million** (over a period of 5 years) invested by the Rémy Cointreau Foundation to promote and transfer exemplary skills and know-how



SHAREHOLDERS

- Steady increase in dividends over the past 20 years
- Significant increase in dividend to **€2.85** in 2021/2022 (including an exceptional €1 dividend)
- Stock market capitalisation up nearly **€5 billion** over the last five financial years (at 31 March 2022)



LOCAL COMMUNITIES

- Strong commitment within the communities of Cognac (France), Angers (France), Islay (Scotland) and Barbados



SUPPLIERS

- Alliance Fine Champagne: **2.08%** shareholder of Rémy Cointreau
- Partner training provided by our agronomists (sustainable agriculture)

FINANCIAL AND NON-FINANCIAL TARGETS

Since the announcement of its 2030 strategic plan in June 2020, Rémy Cointreau has made significant progress in the implementation of its four strategic priorities that enable it to be ahead of the set objectives.

2022/2023 OUTLOOK

Ideally positioned to take advantage of new consumption trends and on the strength of progress against its strategic plan, Rémy Cointreau is starting financial year 2022-23 with confidence.

The Group intends to continue implementing its strategy focused on medium-term brand development and underpinned by a policy of sustained investment in marketing and communications. The Group reaffirms its desire to continue to win market share in the exceptional spirits sector and anticipates another year of strong growth. In particular, Rémy Cointreau is forecasting strong

first-quarter sales despite a very high base effect and the impact of the Covid-19 pandemic in China.

Helped by excellent pricing power, the improvement in the Current Operating Margin will be driven by the solid resilience of the Group's gross margin despite the inflationary environment and by strict control over overhead costs.

For the full year, the Group expects currency effects to be positive for Current Operating Profit, which it forecasts should be in the range €30-40 million.

INCREASED CONFIDENCE IN 2030 GUIDANCE

In the medium term, Rémy Cointreau is reasserting its ambition to become the world leader in exceptional spirits, with a growth outlook that is still attractive, particularly in a world of more responsible consumption.

To achieve this, Rémy Cointreau will pursue its value strategy and its construction of a business model that delivers both profitable and responsible growth.

AMBITIOUS YET CONFIRMED FINANCIAL AND NON-FINANCIAL TARGETS FOR 2030

Over the past financial year, Rémy Cointreau has benefited from very sustained consumption, reflecting the structural acceleration of consumption trends observed since 2020 in a context marked by the pandemic: outperformance of the most high-end qualities, home consumption, the rise in mixology, the development e-commerce and the growing interest in corporate social and environmental responsibility.

As part of its "Sustainable Exception" plan, the Group aims for sustainable agriculture for all the *terroirs* used to produce its spirits as well as a 50% reduction in carbon emissions per bottle by 2030. This is the first step toward the Group's "Net Zero Carbon" ambition for 2050.

Financial targets to 2030⁽¹⁾

72%
gross margin

33%
Current Operating Margin

⁽¹⁾ Based on rates and scope for 2019/2020.

"Sustainable Exception" Plan

100%
commitment to environmental
certification by 2025

Reduction of
50%
in carbon emissions per bottle by 2030

**"NET ZERO CARBON"
BY 2050**



THE GROUP'S MAIN CHALLENGES AND RISKS

— THE GROUP'S MAIN NON-FINANCIAL CHALLENGES

Terroirs, People and Time. The Rémy Cointreau Group's CSR ambition is built around the three key pillars of our signature:

- **preserving our Terroirs** and promoting our soils as a solution to global warming;
- **taking action for our people and our communities** because sustainable transformation can only be achieved through collective work;
- **committing over time;** because the planet cannot wait, we are already contributing to Carbon Neutrality for the Group while investing to reduce our environmental footprint.

Following a materiality assessment in 2016/2017, 10 key Sustainable Development Goals were selected (out of the 17 identified by the United Nations). Based on these SDGs, we have now identified the 10 major challenges facing the Group, the risks associated with these challenges and the indicators that will enable us to monitor their development in the future. In some cases, the Group has already committed itself by setting targets for improvement.

The targets cover SDGs 3, 6, 8, 12, 13 and 15, which are used as CSR performance criteria to calculate the Executive Committee's variable compensation.

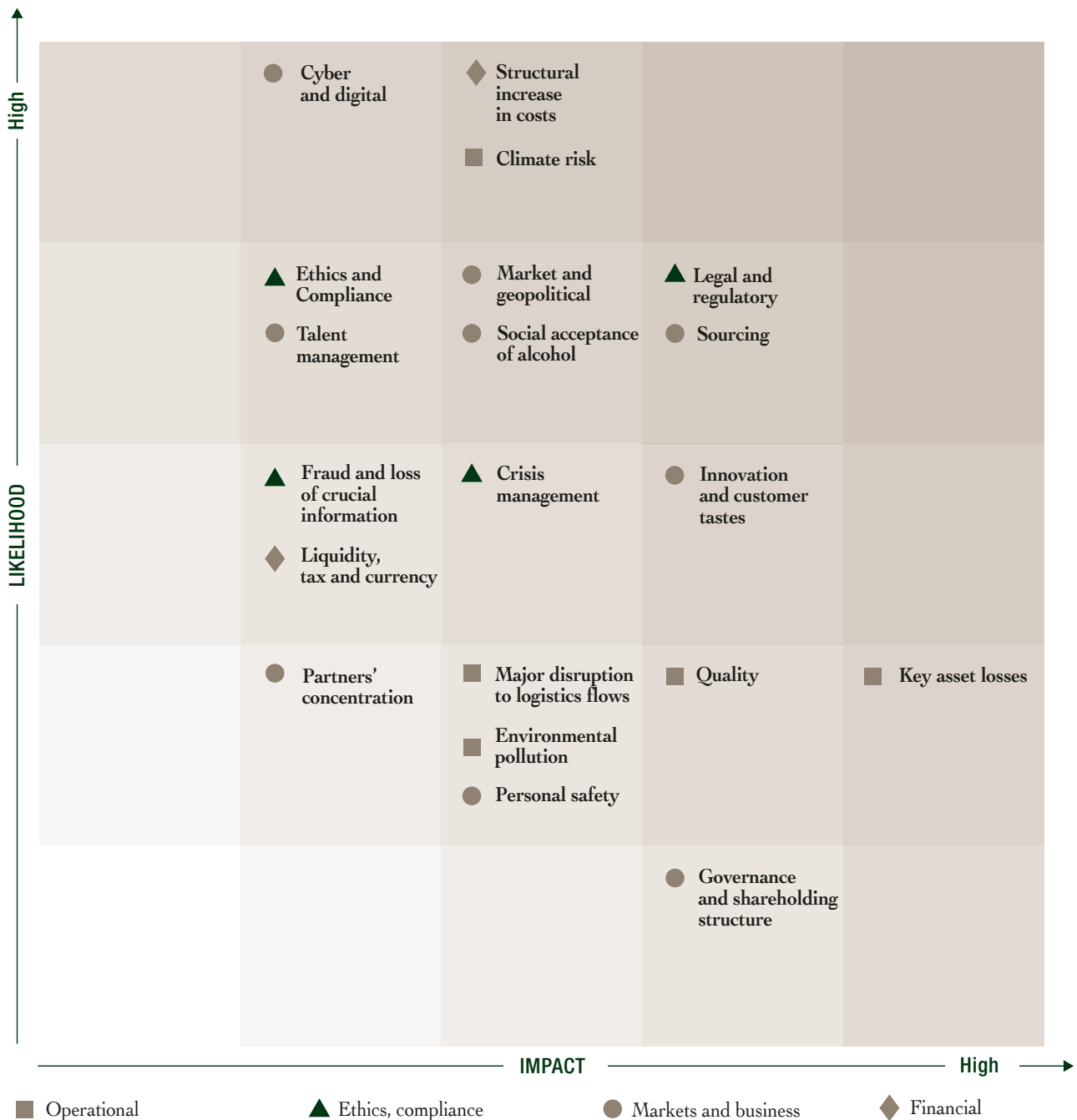
SDGs	Challenges	Risks relating to the challenge	Risk indicators (quantified targets/ progress plan)	Challenges related to the compensation of a member of the Executive Committee
 Good health and well-being	Responsible consumption	Binding regulatory and fiscal framework, work-related alcohol consumption	Percentage of employees trained on responsible consumption	Human Resources Director, CEO Greater China and CEO Americas
 Clean water and sanitation	Water management	Water availability/ Water quality	Water consumption	CEO of the Whisky Division and CEO of Liqueurs & Spirits
 Decent work and economic growth	Employee well-being	Absenteeism, turnover, workplace accidents, occupational health	Turnover and absenteeism	Human Resources Director
 Responsible consumption and production	Circular economy and reduction of raw material consumption	Company's reputation among customers	EPI (Environmental Performance Index of packaging)	CEO of The House of Rémy Martin and CSR, CEO of the Whisky Division and CEO of Liqueurs & Spirits
 Climate action	Contribution to the global effort (2 °C limit) and sustainability of the Company	Changes in regulatory and fiscal framework (carbon tax)	CO ₂ emissions: significant emissions, by brand, focus on transport/reduction of CO ₂ emissions	Executive Vice President Operations, CEO of the Whisky Division
 Life on land	Sustainable agriculture: adapting the <i>terroir</i> and protecting biodiversity	Sustainable production of our agricultural raw materials	Percentage of sustainably managed land	CEO of The House of Rémy Martin and CSR, CEO of the Whisky Division and CEO of Liqueurs & Spirits

The remaining members of the Executive Committee are also linked to these targets, with their variable "CSR" component corresponding to the average achievements of the Executive Committee members directly concerned.

THE GROUP'S MAIN STRATEGIC AND FINANCIAL RISKS

The Group has set up a system to anticipate and manage its risks. This system is constantly updated to take into account any regulatory, legislative, economic, societal, geopolitical and competition changes.

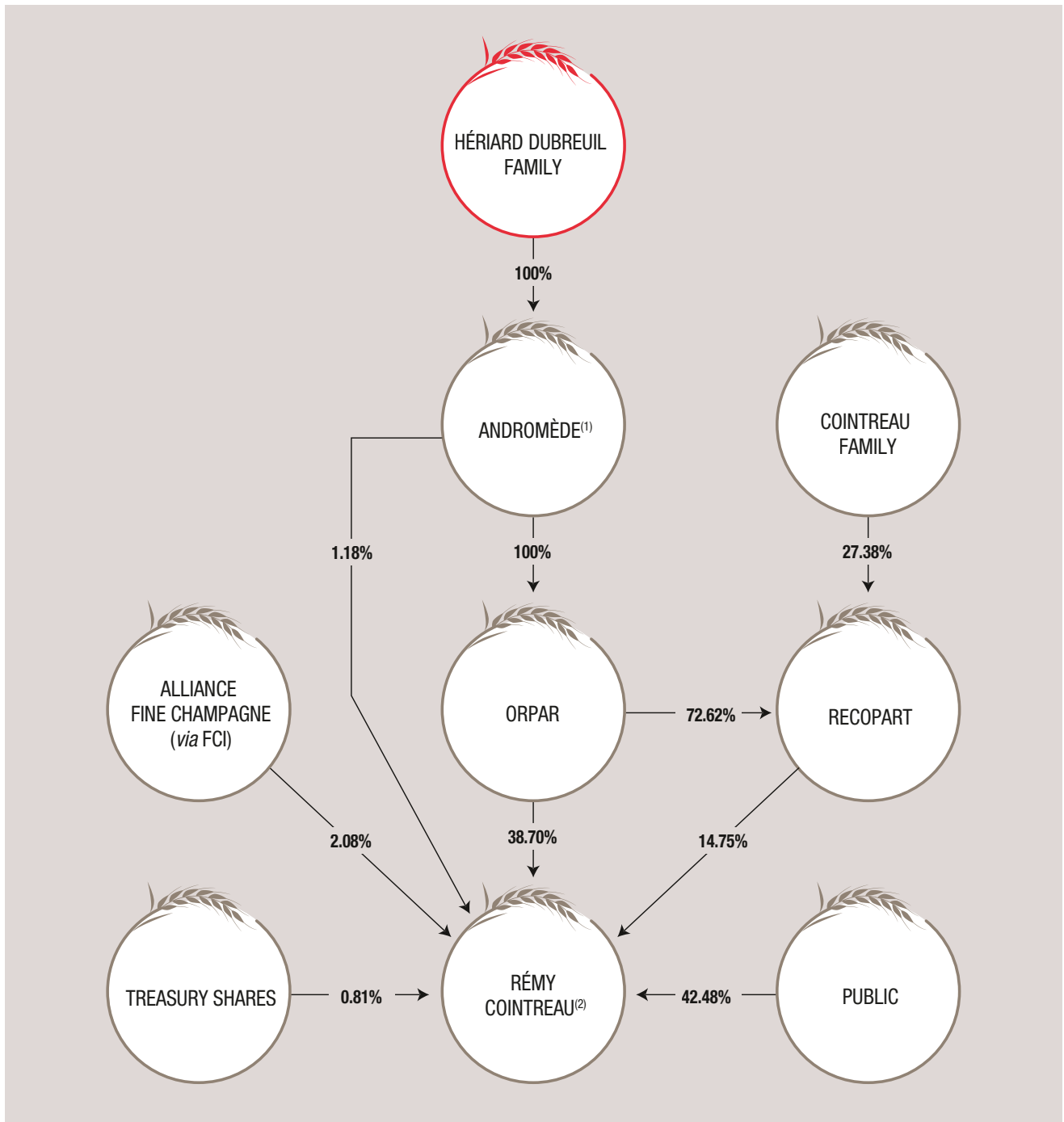
The main risk factors to which the Group is exposed given its business model are presented in this table (more details can be found in chapter 2 of this document).



COMPANY OWNERSHIP

— SHAREHOLDING STRUCTURE

AT 31 MARCH 2022
(% equity interest)



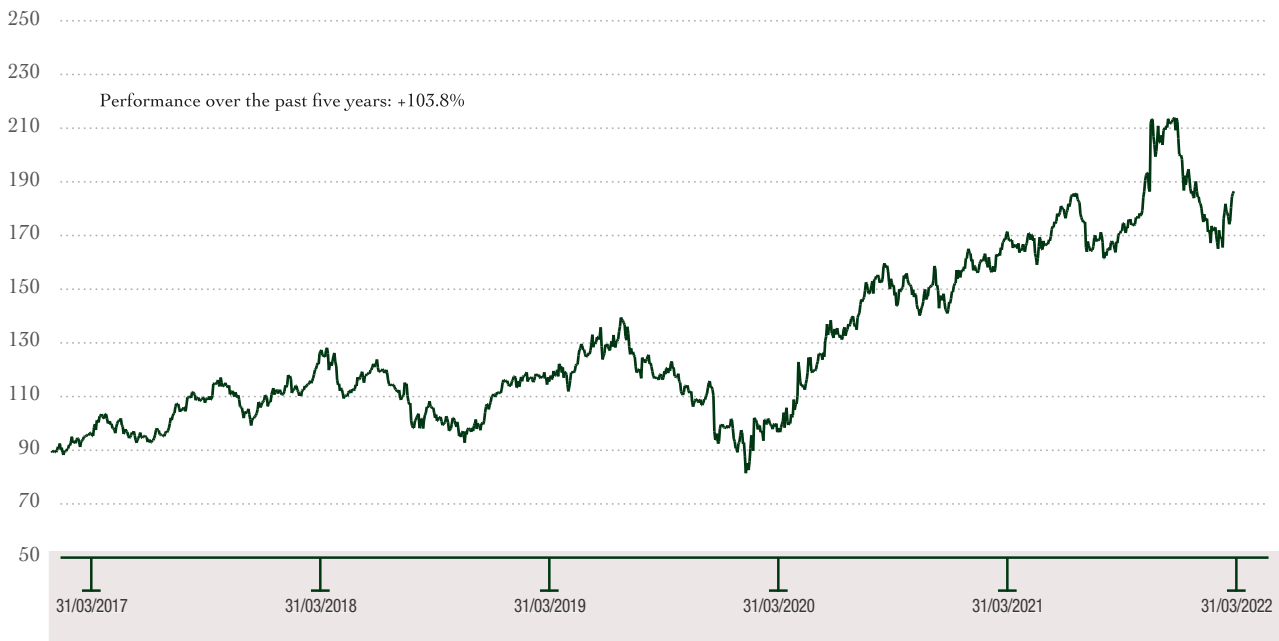
(1) Rémy Cointreau is consolidated within the Andromède Group.

(2) Only Rémy Cointreau shares are traded on the stock market.

— SHARE PERFORMANCE AND DIVIDENDS

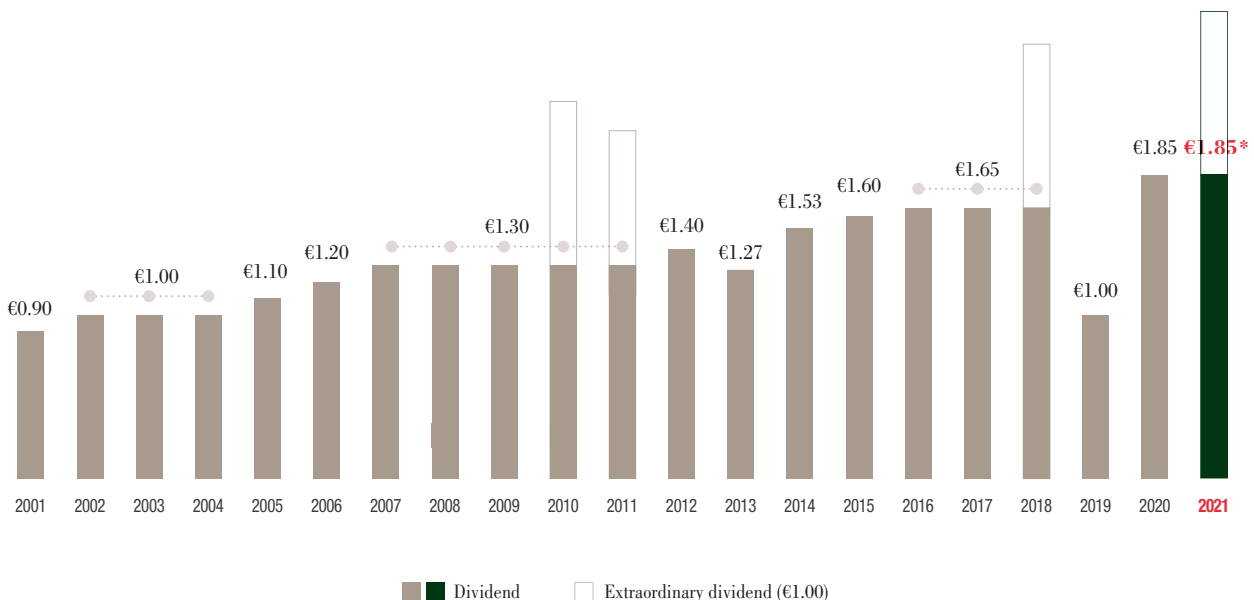
THE GROUP'S STRATEGY HAS BOOSTED THE SHARE PRICE OVER THE PAST FIVE YEARS

Rémy Cointreau shares have risen by 103.8% over the past five years, reflected in an increase of nearly €5 billion in the market capitalisation. This value creation confirms the relevance of the strategy put in place by the Executive Committee and implemented by the Group's employees.



REGULAR DIVIDEND POLICY

Over the past 20 years, the Group has paid an annual dividend which has increased in stages. In addition, it paid an extraordinary dividend of €1.0 per share in respect of 2010/2011, 2011/2012, 2018/2019 and 2021/2022*.



* Dividend proposed to the Shareholders' Meeting of 21 July 2022





CSR CHALLENGES (STATEMENT OF NON-FINANCIAL PERFORMANCE)

1.1	MAIN CHALLENGES	34	1.4	TABLE OF INDICATORS	80
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1.2	IDENTIFICATION OF RISKS AND INDICATORS ASSOCIATED WITH THE CHALLENGES	38	1.5.3	Selected indicators	88
1.2.1	Risk identification process	38	1.5.4	Relevance of indicators	88
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1.2.3	Incorporation of these risks into the Sustainable Exception plan	38	1.7	REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT	92
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1.3	MANAGING THE RISKS AND CHALLENGES: POLICY, ACTION PLANS AND INDICATORS	41			
1.3.1	Preserving our terroirs and promoting our soils as a solution to global warming	41			
1.3.2	Acting for our people and our communities, because sustainable transformation can only be achieved together	51			
1.3.3	Committing through time: because the planet cannot wait, we are already contributing to the Group's carbon neutrality, while investing to reduce our environmental footprint	61			
1.3.4	Ethics risks	77			

— 1.1 MAIN CHALLENGES

1.1.1 AN EMBODIED AND SINCERE SUSTAINABLE DEVELOPMENT APPROACH

1.1.1.1 OUR CSR MANIFESTO

At Rémy Cointreau, our story is one of transmission.

For the last 300 years, we have embraced our role as guardians, passing our know-how, *terroirs* and vision on to the next generation.

Our family company has been planning our next century, for centuries. For this reason, sustainability is not a concept for us. It is rooted in existential and daily actions.

Rémy Cointreau, built on generations for generations.

Because climate change impacts the very existence of our *terroirs*, we commit with winemakers and farmers to deploy agroecological farming practices that not only increase soil resilience, but make a positive climate and biodiversity impact.

Because together, making a difference is possible. Rémy Cointreau is a company, for sure. But more importantly, we are a united and inclusive community of women and men. All of us are driven by the desire to commit together as employees, but also to stand as unwavering partners: from our agricultural suppliers to our bartenders.

Because positive change needs time. Only by embracing the true pace of nature can we bring life to the most iconic spirits, while safeguarding resources and passing on our know-know to the future generation, in all its integrity.

At Rémy Cointreau, we believe that making exceptional wines and spirits means setting example, with sincerity and transparency, from more responsible environmental practices all the way to responsible consumption. To pass on and to lead the way.

This is what The Sustainable Exception is all about.

1.1.1.2 THE SUSTAINABLE EXCEPTION PLAN

The secret of Rémy Cointreau's excellence is based on the quality of its products, and the values rooted in the Group's DNA. While Rémy Cointreau has always been committed to corporate social responsibility, the international context in recent years has only served to confirm – and strengthen – its resolve. The CSR policy is thus at the heart of its strategic ambition. It must participate fully in the Group's value creation, while relying on its structural commitment to the Global Compact, of which the Group has been a member since 2003.

"*Terroirs, People and Time*"; by adopting this emblematic motto from 2017, Rémy Cointreau wanted to demonstrate its irreversible commitment to a cause that it not only wholeheartedly supports, but over-delivers on.

Since 2020/2021, Rémy Cointreau has initiated a new profound transformation of its model, in all areas, to adapt to the major changes in the world. Sustainable development is one of the four major pillars of this transformation and a strategic priority for all teams.

In this context, in 2021/2022, Rémy Cointreau initiated a new generation of sustainable development commitments under the umbrella of its "Sustainable Exception" plan, with a new series of sustainable development objectives for 2030, in line with the Group's transformation roadmap. This plan now includes the objectives of the "CSR 2025" programme presented at the presentation of the Group's 2019/2020 annual results in June 2020.

PURPOSE OF THE RÉMY COINTREAU GROUP

"Rémy Cointreau cares for the *terroirs* that are essential to its Houses and cultivates the *savoir-faire* of its people, so that clients can enjoy exceptional spirits and sensory experiences.

Upholding this heritage enables the family company to write its own destiny and to proudly pass on its centuries-old legacy to future generations."

The “Sustainable Exception” plan, which is based on Rémy Cointreau’s Purpose, is structured around three pillars and the Group’s values:

Preserving our *terroirs* and promoting our soils as a solution to global warming

- Accelerating the agroecological transition on a territorial scale.
- Promoting our soils as carbon sinks in the fight against global warming.
- Investing in research and development to sustainably preserve our *terroirs* and their specificities.

Acting for our people and our communities, because sustainable transformation can only be achieved together

- Ensuring responsible, committed and exemplary governance at all levels of the Company.
- Guaranteeing well-being at work and promoting team diversity for greater wealth and creativity.
- Ensuring the transmission of our ancestral know-how and developing a culture of continuous training among our employees.
- Promoting ethical and responsible consumption and communication.
- Engaging with our partners and communities: sharing our values and value creation.

Committing through time; because the planet cannot wait, we are already contributing to the Group’s carbon neutrality, while investing to reduce our environmental footprint

- Reducing the environmental impact of our activities and aiming for Net Zero carbon by 2050.
- Carrying out climate actions to offset the Group’s residual emissions each year and thus contributing to its Carbon Neutrality (as explained in chapter 1.3.3.1).

1.1.2 GOVERNANCE OF CSR TOPICS

To support this approach, the Group has established a strong and structured governance, which embodies the Group’s CSR commitments at all levels of management and decision-making.

Each year, the Board of Directors determines Rémy Cointreau’s strategic orientations, which include issues related to climate change and more generally sustainable development issues, as well as the Group’s purpose. It thus draws on the expertise of the Corporate Social Responsibility Committee (CSR Committee), whose main mission is to ensure the deployment of the Group’s CSR policy. Other tasks include honouring commitments (Global Compact, guidelines and internal CSR Charters), reviewing the actions implemented, and monitoring the indicator dashboard, the findings of CSR reporting audits, changes in non-financial ratings and prospects for future action (updating CSR plans).

Given that they play a key role in CSR governance, part of the variable remuneration of senior executives who sit on Rémy Cointreau’s Executive Committee is linked to CSR targets, in accordance with the SDGs selected (essentially SDG 3, 6, 8, 12, 13 and 15). Each member will become an ambassador for one (or several) CSR indicator(s) and its improvement. In addition, the Executive Committee has provided the Group with significant resources for its CSR transformation thus demonstrating its sincere commitment: €80 million have been allocated to it since 2021/2022 for its first transformation phase (10 years).

The Head of Corporate Social Responsibility, who reports directly to the Chief Executive Officer of Rémy Cointreau, takes part in each CSR Committee meeting to report on her activity and occasionally to the Board of Directors. She also ensures strategic consistency between the Group’s activities to integrate sustainable development throughout its value chain. She is responsible for the development and implementation of the sustainable development strategy, and assesses and manages the risks and opportunities related to environmental and societal issues, through the action plans of the sustainable development programme (The Sustainable Exception).

Finally, a network of “CSR champions”, chosen for their deep convictions in terms of sustainable development, are in charge of the operational deployment and coordination of the Sustainable Exception plan, within the production sites, brand and market teams or cross-functional entities.

1.1.1.3 RÉMY COINTREAU'S CONTRIBUTION TO THE UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS

Rémy Cointreau Group's major CSR challenges are based on the 17 Sustainable Development Goals (SDGs) defined by the United Nations in 2015.

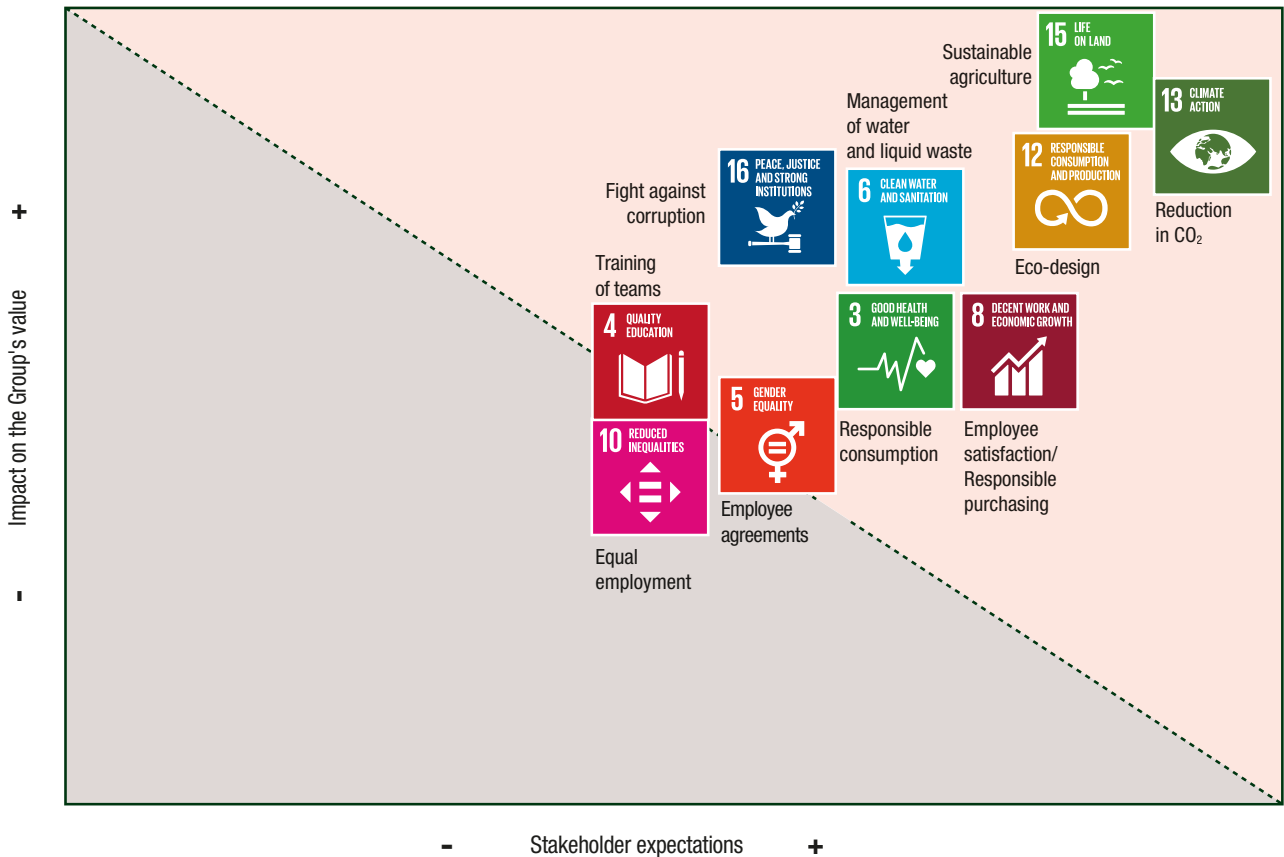
In a first stage, ten of them were selected for their relevance to the Group's business ("Materiality Matrix" table below) and Rémy Cointreau's ability to actively contribute to them. Thus, the following SDGs have not been selected as priorities: the elimination of poverty (SDG 1), the fight against hunger (SDG 2), access to sustainable energy (SDG 7), the promotion of sustainable infrastructure (SDG 9), the rehabilitation of cities (SDG 11), the

sustainable use of marine ecosystems (SDG 14) and finally global partnerships for sustainable development (SDG 17).

As a corporate governance tool, the materiality analysis was updated in 2021/2022 when this statement of non-financial performance was updated. Its aim was to provide as a second stage, a new prioritisation of the challenges, among the 10 selected SDGs, in order to identify those that have a significant impact on the Group's growth, value creation and sustainability, while taking into account all stakeholder expectations into account (representative sample of top management, suppliers, investors and financial analysts).




Thus, through its sustainable development plan, its firm commitment to ethics, its collaborative actions to preserve its *terroirs*, its responsible consumption policy, its concrete actions to reduce its environmental footprint and the sponsorship operations carried out by its brands and markets, Rémy Cointreau makes a significant contribution to its 10 Sustainable Development Goals.

MATERIALITY MATRIX



The Rémy Cointreau Group's 10 priority SDGs, structured around our 3 pillars, are as follows:




PRESERVING OUR TERROIRS AND PROMOTING OUR SOILS AS ALLIES IN THE FIGHT AGAINST GLOBAL WARMING

Sustainable Development Goal	Rémy Cointreau's challenges
 Ensure availability and sustainable management of water	Sustainable water management (consumption and quality)
 Take action to combat climate change and its impacts	Our soils as carbon sinks: contribution to the global effort (well below 2 °C)
 Sustainable land management/Protect, restore and promote sustainable use of land ecosystems/Sustainably manage forests/Preserve biodiversity	Promotion of agroecological practices Biodiversity conservation

ACTING FOR OUR PEOPLE AND OUR COMMUNITIES, BECAUSE SUSTAINABLE TRANSFORMATION CAN ONLY BE ACHIEVED TOGETHER

Sustainable Development Goal	Rémy Cointreau's challenges
 Ensure healthy lives and promote well-being for all at all ages	Ethical and responsible consumption
 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	In-house training and skills development
 Gender equality: achieve gender equality	Non-discrimination and internal societal balance
 Decent work and economic growth/Promote sustained economic growth, full and productive employment and decent work	Employee well-being Responsible purchasing Local impact (sustainable development of the Regions)
 Reduce inequality within and among countries	Internal social balance and global consistency
 Peace and justice: build effective and accountable institutions	Business ethics

COMMITTING THROUGH TIME: BECAUSE THE PLANET CANNOT WAIT, WE ARE ALREADY CONTRIBUTING TO THE GROUP'S CARBON NEUTRALITY, WHILE INVESTING TO REDUCE OUR ENVIRONMENTAL FOOTPRINT

Sustainable Development Goal	Rémy Cointreau's challenges
 Ensure availability and sustainable management of water	Sustainable water management (consumption)
 Take action to ensure sustainable consumption and production	Circular economy and reduction of raw material consumption Customer information: traceability and transparency
 Take action to combat climate change and its impacts	Contribution to the global effort (well below 2 °C): reduction of the Company's carbon footprint

— 1.2 IDENTIFICATION OF RISKS AND INDICATORS ASSOCIATED WITH THE CHALLENGES

Rémy Cointreau presents its Corporate Social Responsibility strategy in such a way as to meet the requirements of the Statement of Non-Financial Performance. This Statement sets out, on the one hand, the Group's main non-financial risks and, on the other hand, the policies implemented to address them, monitored and measured by performance indicators and their results. This presentation also refers to the Group's business model presented in the integrated report of this document.

1.2.1 RISK IDENTIFICATION PROCESS

Pursuant to the European Directive of 22 October 2014 on the publication of non-financial information, as transposed into French law, the main environmental, social, human rights and anti-corruption risks are presented in detail in this chapter.

The Group's significant risks, *i.e.* risks likely to have a significant impact on the Group's business, financial position or outlook (within five years), are presented in chapter 2 of this document. They were established following an audit conducted in 2021/2022 of the Brands, Markets, Finance, HR, IT, Public Affairs/CSR and Internal Audit departments. As part of this audit, several major CSR issues emerged.

The risks identified by the Group's departments were combined with those put forward by its other stakeholders as part of the development of the materiality matrix (as described in section 1.1.3) as well as a specific analysis of the risks related to climate change for the Group's *terroirs*, which were the subject of a long-term approach – beyond 10 years – given their specific nature.

All of these risks were analysed in detail in order to select the main ones within the meaning of the Statement of Non-Financial Performance, in conjunction with the Group's Audit, Compliance and Insurance department (GRI Standard indicator 102-15).

1.2.2 MAIN ENVIRONMENTAL, SOCIAL, HUMAN RIGHTS AND ANTI-CORRUPTION RISKS

The main environmental, social, Human Rights and corruption risks identified by the Group in the context indicated in the previous paragraph are detailed below. Other risks, of which the Group is not currently aware or does not consider to be main as of the date of this document, could, if applicable, have an adverse financial impact.

Three of these CSR risks are included in the Group's overall risks, detailed in chapter 2:

- **climate:** the Group's ability to reduce its carbon impact (global risk, risk of carbon taxation and a restrictive regulatory framework);
- **environmental risks:** quality of agricultural supply in a context of climate change and lack of water (risk of availability and quality of agricultural raw materials and water for the production of products);
- **responsible consumption:** acceptability of alcohol by society (risk related to the health of our employees and customers).

1.2.3 INCORPORATION OF THESE RISKS INTO THE SUSTAINABLE EXCEPTION PLAN

Rémy Cointreau has built its "Sustainable Exception" Plan based on these major challenges. The budget allocated to the implementation of the transformation plan is €80 million over 10 years, from 2021/2022:

PRESERVING OUR TERROIRS (SDG 13 AND 15)

2025 target: deployment of responsible and sustainable agriculture for the production of all agricultural raw materials, with the ambition that all agricultural land essential to its brands will be committed to a certification approach (resulting in the use of a responsible and sustainable label or standard).

2030 target: the Group wants to roll out its “New Generation *Terroirs*” project and thus accelerate its agroecological transition across its regions. Through its own farmlands, Rémy Cointreau aims to promote regenerative agricultural practices that promote soil resilience, biodiversity and good water management. These practices are also intended to maximise the potential of soils as a carbon sink promote them as a solution to global warming.

In line with these commitments, Rémy Cointreau is a partner of the initiatives *4Pour1000* (which encourages agricultural practices that promote carbon sequestration in the soil) since 2021 and *Act4nature international*, which brings together companies committed to the conservation and restoration of biodiversity (fauna, flora, ecosystems, etc.) since 2018. Ten- and five-year targets have been set and detailed information on each commitment is provided in the corresponding sections of this chapter 1, “CSR Challenges” in the Statement of non-financial performance” (1.3.1.2 “Sustainable agriculture: from certification to agroecology”/1.3.1.3 “Biodiversity conservation”/1.3.3.1 “Climate change”).

ACTING FOR OUR PEOPLE AND OUR COMMUNITIES (SDGS 3, 4, 5, 8, 10, 16)

The plan’s major challenges were defined with the desire to involve all employees, because the Group’s ambitious objectives can only be achieved with the commitment of all. The respect for the dignity of all (regardless of where they live, throughout their private and professional life), is at the centre of the Rémy Cointreau’s social policy, hinging on the respect of Human Rights and Employment law. The Group’s commitment to its men and women is then structured around three priorities:

- cultivating the diversity of teams for greater richness and creativity, through actions to promote gender equality (2025 objective: 40% of women on the Executive Committee), cultural and social diversity, as well as actions on disabilities;
- promoting the know-how and passing on our expert businesses, which are essential to the sustainability of our activities;
- taking care of its people, in particular through awareness-raising, education, prevention and promotion actions on responsible and ethical consumption (2023 target: 100% of employees trained in responsible consumption).

This internal commitment strategy is inseparable from its external commitments:

Rémy Cointreau fully involves its strategic suppliers in its CSR policy, in order to guarantee that the purchases made are part of a fully responsible approach, particularly in terms of respect for Human Rights and health & safety at work. Several initiatives are rolled out to address this issue. Rémy Cointreau expressly asks its suppliers to join SEDEX (Supplier Ethical Data Exchange), an international organisation which has been a partner since 2015 and that aims to promote ethical and responsible business practices in global supply chains (2025 target: 100% of our strategic suppliers who are members of SEDEX and have an active approach).

Lastly, the Group continues to grow and protect the regions in which it operates, convinced that the Company must participate in their development while respecting shared values and also by sharing its value creation.

COMMITTING THROUGH TIME (SDG 6, 12, 13)

For the past ten years, Rémy Cointreau has been taking action to reduce its environmental impact and, in particular, its carbon footprint. The Group emits 0.4kg of CO₂ for each euro of operating profit generated, compared to an average of 4.5kg for the global beverage and agri-food sector. The Group, therefore, combines high profitability and low carbon footprint. However, it wants to go further and further strengthen its participation in global efforts to combat climate change and to achieve global carbon neutrality.

Thus, on the occasion of COP26, Rémy Cointreau launched the **#APlanetOfException** project, which is based on a dual commitment: on the one hand, its official membership of Science Based Targets (SBTi), which commits it to reducing its carbon footprint in line with the Paris climate agreements. And on the other hand, the commitment of an annual contribution to climate actions in its main markets.

In November 2021, Rémy Cointreau officially committed to the Science Based Target initiative, in which it joined the “Business Ambition for 1.5 °C” initiative, which brings together the companies with the most ambitious SBT targets. In this context, it confirmed its objectives announced in June 2020: **the Group aims to reduce its carbon emissions by 50% (in intensity) across its entire value chain (scopes 1, 2 and 3) by 2030 (base 2020/2021) and to reach “net zero emissions” by 2050.**

With the help of the consulting firm Quantis, the Group has launched several initiatives around its four main reduction levers: packaging (41% of the Group’s total carbon footprint), agricultural raw materials (23%), transport (17%) and energy consumption (5%).

In addition, it has set itself a set of objectives on these different levers: 100% eco-designed and recyclable bottles by 2025, thanks to the optimisation of its entire portfolio using the EPI (Environmental Performance Index), its eco-design tool; 100% renewable energy at its production sites by 2030, and commitments to more responsible transport (partnership with Fret 21 since 2022).

The emphasis is also on water management, another key focus area for the Group, particularly in terms of its availability for distillation activities at the Barbados, Islay, Domaines Rémy Martin and Domaine des Hautes Glaces sites, and its quality for the production of the Group’s products.

Thus, for the first time, Rémy Cointreau carried out a “water footprint” for the Group in 2021/2022, similar to its carbon analysis. This footprint will be a starting point in the development of a reduction plan in the coming years.

In addition to gradually reducing its environmental footprint, Rémy Cointreau wanted to act now for the planet. Thus, with the help of its partner South Pole, the Group finances certified projects in the fields of renewable energy, sustainable management and forest restoration in its two largest markets (the United States and China) since 2021.

These actions also support initiatives to protect the territories (such as water preservation) and the communities that are the most vulnerable to climate change (actions to promote diversity and transmission of know-how), in line with the Group’s values.

The scale of these actions (over 600,000 tonnes of CO₂ avoided or sequestered) allows it to contribute to its carbon neutrality from 2021/2022, and for approximately four years, on the basis of the growth forecasts of its 2030 plan and, its CO₂ reduction actions and the current methodology for calculating its carbon footprint. Rémy Cointreau is, thus, the first Wines & Spirits group worldwide to be carbon neutral, and with the commitment to remain so until its Net Zero targets are achieved.

1.2.4 REPORTING SCOPE AND STANDARDS

The CSR reporting covers all employee-related, environmental and societal information for the 32 Group companies (see section 1.5 “Note on methodology for reporting indicators”).

This year, the companies “Maison JR Brillet” and “Champagne de Telmont”, acquired in 2020/2021, were included in the CSR reporting.

Environmental information covers the production sites in Cognac (France), Damery (France), Angers (France), Barbados, Islay (Scotland), the Paris administrative site, and the companies Domaines Rémy Martin (France), Domaine des Hautes Glaces (France) and Westland (USA).

The distribution subsidiaries are excluded from providing the information referred to below as their environmental impact is not deemed to be significant. The scope of application of each indicator is specified in section 1.5 “Note on methodology for reporting indicators”.

For several years, Rémy Cointreau has linked its indicators to those of the Global Reporting Initiative (GRI), using the GRI G4 guidelines. The Group applies the GRI Standards (see references in the text and section 1.6 “Cross-reference tables”).

The CSR reporting is verified by an independent external expert (see section 1.7 “Report of the independent third-party body on the consolidated employee-related, environmental and societal information contained in the management report”).

1.2.5 DIFFERENT TYPES OF INDICATORS

These risks are managed through various specific actions associated with quantified targets and progress or monitoring indicators, which provide a strong framework for our “Sustainable Exception” plan.

The **progress indicators** are associated with the **quantified targets** of the plan, with most to be achieved by 2025 and 2030. Only the “Net Zero” commitment currently being validated by the Science Based Target initiative is a long-term commitment, up to 2050.

The **vigilance indicators** measure the effectiveness and success of the actions implemented for several years within the Group, without any significant progress being targeted for the subject concerned.

These two types of indicators are supplemented by **management indicators**.

All of these indicators prove the effective deployment of the Sustainable Exception plan and contribute to the management of the CSR risks identified previously.

1.3 MANAGING THE RISKS AND CHALLENGES: POLICY, ACTION PLANS AND INDICATORS

1.3.1 PRESERVING OUR TERROIRS AND PROMOTING OUR SOILS AS A SOLUTION TO GLOBAL WARMING

For many years, the Group has been working to promote responsible and sustainable agriculture. To this end, Rémy Cointreau has implemented an ambitious policy of French and international certifications to guide cultural practices. The objective is to have 100% of our *terroirs* committed to responsible and sustainable agricultural practices by 2025.

As part of its “Sustainable Exception” plan and faced with the ever-increasing challenges of climate change, the Group now wants to go further with the “New Generation *Terroirs*” project, whose goal is twofold: to protect its *terroirs*, and also to promote its soils as “carbon sinks” and therefore as allies in the fight against global warming. To this end, the Group will roll out two major actions:

1. **accelerate the agroecological transition of its *terroirs*** with the following objectives:
 - improve soil resilience and fertility through the deployment of cultivation methods based on regenerative agriculture, a global approach that places the soil at the heart of the system, to produce efficiently and sustainably. The regenerated soils increase carbon sequestering, promote biodiversity, better conserve water and limit erosion risks, thus mitigating the effects of climate change,
 - scientifically measure the positive impact of these practices on biodiversity;
2. **adapting its crops to global warming**, by identifying climate-resilient varieties for all its agricultural materials. The Group is also testing varieties resistant to diseases, the resurgence of which could be linked to climate change. The objective is to have 100% of these varieties identified by 2030, in order to deploy their planting and thus have developed the Group’s macro-biodiversity (diversity of varieties for each of its crops) by 2050.

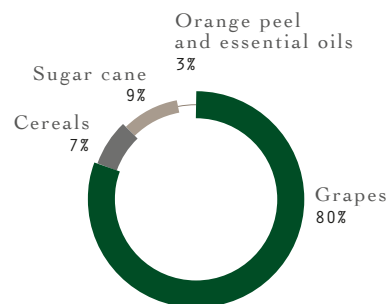
1.3.1.1 IDENTIFICATION OF CLIMATE RISKS IN OUR TERROIRS

The Group’s agricultural footprint

Rémy Cointreau’s environmental footprint is estimated at around 15,500 hectares (estates belonging to the Group and conversion into hectares of the quantities of agricultural materials purchased from third parties), of which 80% are grapes (from all French wine-growing regions, in particular AOC Cognac and AOC Champagne), 9% sugar cane (mainly from Barbados and the Dominican Republic), 7% cereals (from Scotland, Trièves in the

French Alps and Washington state in the United States) and finally 3% of orange peel and essential oils (mainly from Brazil, Ghana, Morocco, Tunisia and Spain).

Breakdown of the Group’s environmental footprint by agricultural raw materials (hectares)



Risk mapping of the Group’s *terroirs*

In 2021/2022, the Group commissioned AXA Climate to map the climate risks of its *terroirs* by 2050.

AXA Climate assessed the climate risk of 93 *terroirs* (located in France, Scotland, Brazil, Ghana, Morocco, Spain, Mexico, the Dominican Republic, Barbados, Greece and the United States) corresponding to six crops worldwide (oranges, sugar cane, vines, rye, barley and beet). For each crop, 13 to 17 vulnerability parameters were screened, all linked to climatic events (such as landslides or tropical storms) or to a particular agronomic sensitivity (heatwaves, late frosts, etc.).

These analyses were carried out on the basis of the IPCC SSP2-4.5 scenario, which forecasts a warming of +1.6 to +2.5 °C by 2050, compared to the pre-industrial era.

By 2050, of the 93 *terroirs* assessed, 15% are at extreme risk, 16% are at high risk, 28% are at moderate risk and 41% are at low risk.

In relation to their contribution to the Group’s sales, *terroirs* with extreme risk represent a financial risk of 3%, *terroirs* with high risk 6%, *terroirs* with moderate risk 77% and those with low risk 14%.

The *terroirs* with extreme and high risks mainly concern certain supplies related to oranges and sugar cane, while vines are essentially at moderate risk. Barley, rye and beet are at moderate or low risk.

1.3.1.2 SUSTAINABLE AGRICULTURE: FROM CERTIFICATIONS TO AGROECOLOGY (SDG 13 AND 15)

Challenge

All our Houses have their roots in the land and our spirits have the taste of their *terroir*. Vines, orange trees, sugar cane, barley and plants are the source of our exceptional spirits. In the current context of climate change, the major, even existentialistic, challenge for the Rémy Cointreau Group is to sustain the production of its agricultural raw materials in the years and centuries to come.

The Group also wants to promote its soils as allies in the fight against global warming, through agricultural practices that have a positive impact on reducing greenhouse gas emissions and restoring biodiversity.

Lastly, the Group's challenge is to protect and transmit wine and agricultural know-how. To do this, it aims to support its partners over the long term, to develop their practices and to better value the results of their work.

Policy

An ambitious certification policy by 2025

Since its creation, Rémy Cointreau has made its environmental commitment a sustainable lever of its economic success. Thus, Domaines Rémy Martin have been qualified as "sustainable agriculture" since 2009 and have been certified as "High Environmental Value" (HVE) by the French Ministry of Agriculture since 2012. At the time, they were the first to obtain this certification in the Charente region and the sixth in France.

Starting in 2017/2018, this policy of preserving the *terroirs* resulted in the deployment of responsible and sustainable agriculture for the production of all of the Group's agricultural raw materials, with the ambition that all of the land used be committed to a responsible and sustainable agriculture standard or label by 2025 (commitment 1 – act4nature international).

These certification labels vary depending on the crop and the geographical area, but generally advocate the preservation of biodiversity, the reduction of synthetic inputs and the preservation of water, or even a socially responsible dimension:

- vines (Houses of Rémy Martin, Telmont and St-Rémy): HVE (High Environmental Value) or Organic farming in France;
- orange trees (House of Cointreau): GLOBALG.AP in Europe and Africa, Rainforest in Brazil or Organic farming in Ghana;
- cereals (Houses of Bruichladdich, Westland and Domaine des Hautes Glaces): Scottish Quality Crops and Red tractor in the United Kingdom, Salmon Safe in the United States and Organic farming in France and the United States;
- sugar cane (House of Mount Gay): *Bonsucro* in Central America and the Caribbean.

The Group's 2030 vision for its *terroirs*: agroecology, which puts soil health at the heart of the approach

Although this global certification approach has been and remains essential to bring all the Group's *terroirs* into a common approach of responsible and sustainable agriculture, in line with Rémy Cointreau's CSR values and objectives, they remain local and fairly heterogeneous approaches. Also, certification guarantees sustainable practices, but not necessarily effective results on the planet and its living environment.

The Group, therefore, wishes to lead its *terroirs* and their communities towards more homogeneous practices whose convergent vision is Agroecology, with a clear and scientifically measurable objective: soil health.

The Group is, therefore, committed to implementing agroecological farming methods that have a positive and measurable impact for all its *terroirs* by 2030 with a dual objective:

- Improving soil resilience and fertility via the deployment of cultivation methods from regenerative agriculture.
- Promoting its soils as "part of the solution". The development of agroforestry and plant cover in its *terroirs* will reduce the amount of CO₂ in the atmosphere, while enriching its soils in organic matter (*via* photosynthesis).

Training and awareness-raising of the Group's employees and partners on sustainable agriculture (commitment 5 – act4nature international and GRI Standard 404-1 indicator)

Attention to soil quality on our own land and on that of our suppliers, has been supported for several years at biannual seminars (Creators' Conference) which bring together all of the Group's product creators on the theme of sustainable agriculture and the preservation of *terroirs*. On these occasions, external experts share their knowledge with our employees on the specific qualitative characteristics of the *terroirs* and the impacts of global warming on agricultural practices. The last one took place in Angers in April 2022.

The Group's various Houses also organise regular training sessions for their farming and winegrowing partners to share with them the conclusions of their agronomic research programmes and to change their agricultural practices so that they themselves become real agents of environmental change. Thus, the House of Rémy Martin has been supporting its winegrowers towards environmental certification with innovative and personalised training since 2014.

Lastly, as part of its partnership with Genesis (the world's leading rating agency for the ecological health of soils) formalised in November 2021, the Rémy Cointreau Group finances the soil analyses of a certain number of its farming partners, in order to support its partners in their efforts to continuously improve the health of their soils.

Action plans

78% of our agricultural land now committed to responsible and sustainable certification at the end of March 2022

At the end of March 2022, the percentage of surface areas committed (under conversion or certified) to a sustainable and responsible agriculture approach was 78%, confirming the steady increase observed over the past five years (36% in 2017/2018, 52% in 2018/2019, 58% in 2019/2020, 64% in 2020/2021).

This year's significant increase is mainly due to the actions carried out:

- on molasses supplies for Mount Gay rum, which now benefit from *Bonsucro* certification for 86% of them (compared to 22% in 2020/2021);
- on the supply of oranges for Cointreau liqueur, now GLOBALG.A.P., Rainforest or organic certified for 64% (compared to 55% in 2020/2021);
- on wine supplies for St-Rémy brandy. Nearly 35% are now sourced from vineyards committed to biodynamic, organic farming or HVE (High Environmental Value Farming) certification initiatives, compared to 26% in 2020/2021;
- on cereal supplies for Bruichladdich whisky, 38% of which is sourced from responsible and sustainable agriculture, mainly with SQC (Scottish Quality Crop), Red Tractor or Organic certification, compared to 30% in 2020/2021;
- also noteworthy is the integration of the House of Telmont, of which 79% of supplies are committed to biodiversity, organic farming or HVE (High Environmental Value Agriculture) certification.

These improvements complete the two Houses, whose commitment is already 100%:

- the Domaine des Hautes Glaces, for which 100% of the land and supplies are certified *Agriculture Biologie* (regenerative agricultural practices);
- the House of Rémy Martin, for which 100% of Alliance Fine Champagne winegrowers are committed to an HVE/CEC (High Environmental Value Agriculture/Cognac Environmental Certification) or organic farming certification process.

The Group's ambition is for all the farmland needed for its brands to be engaged in a responsible and sustainable agricultural model by 2025.

Implementation of the "New Generation Terroirs" project

As part of its "Sustainable Exception" plan and in response to the challenges of climate change, Rémy Cointreau has begun to roll out the "New Generation *Terroirs*" project within the Group. Its aim is twofold: to accelerate the protection of *terroirs* and promote our soils as "carbon sinks". The evolution of agricultural practices is therefore one of the responses to this issue with a vision: agroecology. This common vision, which puts soil health at the heart of cultivation methods, has been shared within the Group and all of the Group's Houses have begun to make commitments in this direction, as described below.

Genesis: A pioneering partnership for soil health

In order to be able to scientifically measure the improvement in the health of its *terroirs*, the Group has formed a partnership with Genesis, which has developed the first scientific rating tool for soil health. This assessment, developed in collaboration with public and private laboratories, is based on three indicators: biodiversity (the

biological functioning of the soil), carbon (the measurement of carbon storage and dynamics) and pollution (presence of pollutants and/or heavy metals). This rating, which is correlated with agricultural practices, aims to ultimately improve the health of the soil, its yields and its resistance to risks.

As part of this partnership, the Rémy Cointreau Group worked with around twenty Alliance Fine Champagne (AFC) wineries, a cooperative of the House of Rémy Martin and around ten Trièves farmers (suppliers to the Domaine des Hautes Glaces) to establish an initial soil health mapping, as well as an initial correlation analysis with the agricultural practices implemented.

Cognac: preparing the transition to agroecology

In 2021/2022, the environmental footprint of the House of Rémy Martin amounted to just over 8,000 hectares. It breaks down into Domaines Rémy Martin and Alliance Fine Champagne (AFC), a cooperative created by the House in 1966.

HVE/CEC CERTIFICATION: 100% COMMITMENT AND 56% CERTIFIED

Domaines Rémy Martin were certified HVE in 2012 and CEC in 2020/2021. The High Environmental Value (HVE) is the highest level of environmental certification granted by the French Ministry of Agriculture and Food. It certifies agricultural holdings involved in eco-friendly approaches around four areas: biodiversity, strategy for plant protection products, fertilisation and irrigation. The regional CEC (Cognac Environment Certification) reference is based on the HVE standard, supplemented by regional requirements such as the obligation to combat *flavescence dorée* and to take part in local collective surveys to identify the spread of this disease, or the use of equipment that enables to reduce the use of treatment products, thanks to confined spraying and the use of recovery panels.

The Domaines Rémy Martin are thus a qualitative, environmental and experimental showcase for AFC winegrowers, who are also supported in their certification process by the House's "Viticulture Advisory Board".

In 2021/2022, 32 Alliance Fine Champagne winegrowers obtained HVE level 3 certification, the highest level of commitment for this certification, including 8, the dual HVE/CEC certification. The 32 certified winegrowers were each awarded a *Centaure de l'environnement* at a ceremony now held in 2018 by the House of Rémy Martin to celebrate the commitment of its winegrower partners.

There are now 288 certified winegrowers, equivalent to 56% of the cooperative's vineyards. Largely as a result of the AFC certification project, the Charente region is one of the regions most closely involved in the HVE certification process: our 288 certified winemakers represent 85% of the total with HVE certification in Charente.

The House's objective is to achieve 100% HVE/CEC certifications by 2028 (commitment 1 – act4nature international), in line with the deadlines set by the National Interprofessional Bureau of Cognac (BNIC).

AGROECOLOGY: EXPERIMENTING THEN DEPLOYING

In order to be fully in line with the Group's vision and its transition to agroecology, Domaines Rémy Martin have been carrying out experimental studies on natural soil fertilisation strategies and the reduction of phytosanitary products for several years.

Continuation of the EcoPhyto initiative, which aims to gradually reduce the use of plant protection products

Domaines Rémy Martin are members of the EcoPhyto network, a national initiative led by the French Ministry of Agriculture, since 2018. This initiative seeks to gradually decrease the use of pesticides and thus cut soil pollution.

Of the 284 hectares of vineyards owned by Domaines Rémy Martin, 26 hectares are set aside for wine-growing, agronomic and environmental experiments. The experiments carried out enable to test alternative solutions on a large scale and aim to provide winegrowers with solutions to improve their environmental practices. In connection with climate change adaptation and the development of new technologies, the studies mainly focus on improving grape quality, adjusting the strategy for plant protection products, managing fertilisation and protecting biodiversity.

Since 2019, several tools have been tested, on the ground or in the air, for the purpose of plot mapping (on-board or aerial sensors on drones). These are used to assess the intensity of the vegetation and therefore the health of the vines within the same plot. Some 5,500 measurements are carried out over a single hectare. These are then used to optimise practices to reduce inputs. The aim of these tests is to scale back the use of plant protection products, depending on the results of the measurements.

BEE: a pilot project on biocontrol products

In addition to the 26 hectares dedicated to the EcoPhyto project, the *Biocontrôle et Équilibre des Écosystèmes* (Biocontrol and Ecosystem Balance – BEE) project goes even further on one hectare of the Domaines. It focuses on the use of biocontrol products (a set of plant protection methods based on the use of natural mechanisms) for the fight against vine diseases.

In 2018, as part of the EcoPhyto 2 plan, Domaines Rémy Martin set up a pioneering test bed in the region with the *Institut Français de la Vigne* (IFV). The study conducted enables to test crop systems that reduce the need for plant protection products by introducing biocontrol products without affecting the quality of the *eaux-de-vie*. The objective is to establish decision-making rules with the aim of reducing the treatment frequency index (TFI) by 75%. The aim is also to implement responsible practices regarding the use of vine fertilisers while preserving the quality of the harvests, yields and *eaux-de-vie* produced.

Qualitative and quantitative tests have been carried out on the *eaux-de-vie* over two very different years. The results indicate changes in vine performance, mainly due to climatic conditions.

The study will continue until 2023 in order to study more widely how vines respond to this new cultivation practice, before extending these trials more widely to the Domaines, as part of its agroecological transition.

The development of plant cover

Domaines Rémy Martin are studying the use and management of winter coverings such as green fertiliser. The aim is to generate significant plant biomass during the vine's rest period (autumn-winter-start of spring), to capture the nitrogen (soil and atmospheric) and to return it to the vine during the growing period in order to reduce external inputs (synthetic products). As well as limiting the effects of erosion and leaching, it also reduces fertiliser use and encourages soil biodiversity (commitment 3 – act4nature international).

In addition to these winter coverings, the Domaines have developed inter-row grass cover in order to increase the bearing capacity of the soil (and therefore the possibility of entering the vines more quickly after rain), to avoid soil erosion and leaching and also to calm overly vigorous vines, especially young plants.

Development of precision viticulture

Since 2019, the Domaines are testing decision support tools (DST), which are used to assess pest pressure on the vineyard in connection with local or regional weather information. Around the Domaines, a network of 10 AFC winegrowers was set up to test the DeciTrait® application available on smartphones and based on the IFV (*Institut Français de la Vigne*) Optidose model. This application enables to make informed decision regarding the application of mildew and powdery mildew treatments, based on weather information updated in real time on smartphones.

Mapping soil health

In 2020, the House of Rémy Martin conducted a pilot project with Genesis to co-construct a relevant soil health measurement reference framework for AOC Cognac. The study of the terroir of Petite and Grande Champagne continued in 2021/2022, with the support of around twenty partner winegrowers and Domaines Rémy Martin. In total, around 150 plots were analysed, in order to establish an initial mapping of soil health.

The objectives of this study are multiple: better understand the functioning of the AOC soils, target the levers for improving their health, and also determine the cultivation practices that have a positive impact on this *terroir*, particularly in terms of carbon sequestration and biodiversity.

In the coming years, this project will support the House's approach in its agroecological transition and scientifically measure its impact on the planet.

The House of Rémy Martin and its partners of the Alliance Fine Champagne (AFC): a collective adventure

The House of Rémy Martin is committed to establishing a close relationship with its winegrowers. It has thus set up a set of communication and support resources for several years, but which is still being enriched regularly:

- the Rémysphère Newsletter (in paper and digital versions): its three annual publications are designed to coincide with the different winemaking phases, i.e. flowering, harvest and distillation;

- the “House of Rémy Martin Quality Guide” is also closely linked to the AFC. Reviewed by the cooperative’s “Environment & Quality” Committee, this collective work contains practical advice on HVE environmental certification, food safety and the quality of wines and *eaux-de-vie*. The first part of this document describes Rémy Cointreau’s CSR policy;
- At the beginning of 2021, the House of Rémy Martin and AFC also recruited a technical advisor to support the House’s “viticulture advisory” team, to facilitate the certification process and support partners over the long term. This technical advisor adapts their support to each situation;
- this year, the House of Rémy Martin organised the first edition of its “Technical Workshops” on the Rémy Martin Domaines, in the form of half-days, during which the “viticulture advisory” teams and some external speakers presented six workshops on topics such as: reasoning and modulating fertilisation, managing its phytosanitary discharges or understanding and reducing its carbon footprint. More than 200 winegrowers attended this event.

Cointreau: measuring the use of sustainable agriculture in orange production

In 2018, Cointreau launched its “Orange & *Terroir*” project, based on four main areas:

- the use of responsible and sustainable agriculture;
- environmental protection;
- building partnerships with suppliers modelled on Cognac’s AFC wine cooperative;
- the search for an international standard for responsible and sustainable agriculture.

In order to tangibly assess its commitment to responsible and sustainable agriculture, Cointreau has mainly used the international standard “GLOBALG.A.P.” (in its section on Fruits and Vegetables Certification), including guarantees covering food safety and traceability, the environment (including biodiversity), health, safety and well-being of workers, animal welfare.

Thus, the percentage of agricultural areas cultivated according to a responsible agriculture model for our orange supplies now stands at 64% in 2021/2022, compared to 55% in 2020/2021 and 47% in 2019/2020.

Islay site: deployment of a soil regeneration process on the Domaines

The actions of the Distillery Bruichladdich in Islay, Scotland (which include the Bruichladdich, Port Charlotte, Octomore and The Botanist brands) are fully in line with the Group’s “*Terroir*” vision, and also that of their “B Corporation” certification (B-Corp), obtained in May 2020.

In 2018/2019, the Distillery acquired 15 hectares of land to develop programmes to study sustainable farming practices. In late 2019, a Croft Summit, which included representatives from Domaine des Hautes Glaces and Westland, was held on Islay to examine different ways of cultivating the new plots as sustainably as possible. Several soil and crop specialists and experts, organic farmers and researchers from around the world, took part in this meeting and were able to discuss with the teams to develop a large-scale project:

- implementation of sustainable and regenerative agricultural practices, without the use of synthetic products;

- planting of several varieties of barley to test the most adapted to the island’s *terroir*, in order to develop better knowledge of local growing conditions;
- the reimplantation of Bere Barley, an old variety of barley.

Thus, in 2021/2022, Islay began to roll out soil regeneration processes on its estate, with the sowing of plant cover in order to improve soil fertility, the composition of organic matter and overall drainage. Barley is cultivated in rotation with other cereals and a variety of plants including 23 species of herbs, legumes and grasses. All rooting at different depths, these plants thrive in diversity, unlike a monoculture. The soil is fed with organic matter microorganisms to increase its structure and fertility, contributing to a symbiotic food system both above and below the soil. A recent carbon footprint assessment of the operation showed that the amount of carbon sequestered was 10 times greater than that emitted.

At the same time, Bruichladdich continued its collaborative work with its farming partners, to promote responsible and sustainable agriculture. Thus, 38% of cereal supplies are now certified mainly under the SQC (Scottish Quality Crop), Red Tractor or organic certification, compared to 30% in 2020/2021 and 5% in 2019/2020.

Barbados: continuation of soil regeneration work at the Mount Gay Estate

In 2018, the Group acquired an Estate of 130 hectares in Barbados, of which 117 are cultivable, in particular for the production of sugar cane.

Since then, it has gradually deployed soil regeneration techniques, with the advice of global soil health specialists. The objective, for the “Mount Gay Estate” is to obtain *Bonsucro* certification (which combines environmental, social and economic issues such as reducing energy or water consumption, reducing waste and creating a safer working environment) by 2023/2024, then organic farming certification by 2025. The site’s distillery has already received *Bonsucro* certification in 2021/2022.

The Estate’s main actions this year were as follows:

- herbicides: reduction of their use to a minimum, with a manual and mechanical supplement;
- fertilisers: 75% of the Estate’s surface area is now irrigated with vinasse (circular use of water), also providing organic matter and potassium in the soil (organic fertilisation);
- implementation of annual soil analyses to monitor changes in soil fertility;
- two members of the farm team were trained in syntropic agricultural practices (harmonious integration of food production and forest regeneration without the use of herbicides and inorganic pesticides);
- in order to monitor changes in weather conditions and establish a correlation with crop performance and yield, five Davis weather stations were installed on the estate.

At the same time, the teams continued their certification work for external molasses supplies (mainly Barbados and the Dominican Republic): 86% of them are now *Bonsucro* certified, compared to 22% in 2020/2021, and 0% in 2019/2020.

St-Rémy: progress in commitments to sustainable agriculture

Since 2018/2019, St-Rémy has been working closely with the *Union Française des Alcools et Brandies* (French Union of Alcohols and Brandies – UFAB), its main supplier of *eaux-de-vie*, to raise awareness among its suppliers of Rémy Cointreau’s “Responsible and Sustainable Agriculture” project, as well as the carbon emissions associated with *eaux-de-vie* production. Since then, a questionnaire has been distributed to the main wine production cooperatives in order to gather environmental information on their winegrowing practices.

In 2021/2022, 35% of *eaux-de-vie* supplies for the St-Rémy brand came from plots cultivated in responsible and sustainable agriculture based on standards such as HVE, Organic Agriculture, Agriconfiance and Terra Vitis, compared to 26% in 2020/2021.

Domaine des Hautes Glaces: regenerative agricultural practices for 12 years

Since 2009, Domaine des Hautes Glaces has been producing whiskies born out of a local development project, in which farmers are partners and committed. The Domaine and its partners have been pioneers in organic regenerative agricultural practices, for example by encouraging crop rotation for better soil life and the total elimination of the use of synthetic products.

Thus, the Domaine des Hautes Glaces distillery has been certified Organic Agriculture for three years, and is committed to maintaining a rate of 100% organic farming supplies in the future (commitment 5 – act4nature international). The creation of this new local and organic whisky offering brings a new vision for regional development and sustainable opportunities from converting farms to organic agriculture.

Domaine des Hautes Glaces is working with local farmers to develop new varieties of organic barley, rye, spelt, oats and triticale.

Telmont: the choice of organic farming

The objective of the House of Telmont is to convert 100% of its vineyard and its supplies to Organic Agriculture by 2031 (2025 for its own Domaine), compared to 50% currently (and 79% committed to biodiversity, organic farming or HVE certification). This ambition is particularly bold, at a time when only 4% of the Champagne wine-growing area is certified or in the process of being certified AB (organic agriculture).

This approach involves the following main cultivation methods:

- no use of herbicides (since 1999) and non-natural pesticides, with integrated pest control through the use of hormones;
- use of biocontrol products to stimulate the natural defences of the vine, the use of tisanes and biodynamic treatments to stimulate vine growth;
- prevention of soil erosion by grassing our soils or the perimeter of the plots;
- plot approach for plant cover, grass cover and soil tillage.

In 2021/2022, the House of Telmont initiated tests on five new mixes of green fertilisers, on two plots.

Westland: finding the most suitable barley varieties for organic farming

Westland, based in Seattle in the United States, joined the Group in early 2017. It produces single-malt whiskey exclusively from local barley.

Like the Group’s other Houses, Westland acquired 32 hectares of agricultural land in the Skagit valley in April 2020, used not only as a barley growing site for the brand, but also as a laboratory to test new varieties of barley grown under sustainable and regenerative agricultural conditions.

Since December 2020, the agricultural holding is certified “Salmon Safe”, an agricultural certification used in the Pacific Northwest to ensure that farming practices do not have a negative impact on salmon, one of the region’s top priority animal species in terms of environmental conservation. The Salmon Safe program enables agricultural holdings to be recognised for their efforts in using long-term soil conservation techniques, reducing the use of plant protection products, and optimising their water consumption, protecting and restoring river-bank and watercourse habitats.

Some of the land has also been certified Organic Agriculture by the USDA (US Department of Agriculture) since 2021/2022.

In order to anticipate the deployment of increasingly sustainable agriculture in the region, Westland formed a partnership with the WSU Breadlab (Washington State University) in 2020/2021. It aims to test several varieties of barley in order to determine which ones will be best suited to the conditions of certified organic production.

Lastly, as part of the Group’s sourcing certification objectives (“Responsible and sustainable agriculture” project), the percentage of agricultural land fell slightly to 22% in 2021/2022 (compared to 28% in 2020/2021), as the brand had to significantly increase its barley supplies to meet final demand.

1.3.1.3 BIODIVERSITY CONSERVATION (SDG 15)

Challenge

Biodiversity conservation is a major issue as it is at the heart of all components and variations of the living world: ecological diversity (ecosystems), specific diversity (species) and genetic diversity (genes). The observed deterioration of these various components of biodiversity is a risk for the sustainability of the Group’s *terroirs*, and thus the production of its agricultural raw materials (cereals, grapes, sugar cane, oranges, wood, etc.). Thus, Rémy Cointreau must be a fully committed player in biodiversity conservation.

Policy

The state of biodiversity is a key indicator of soil fertility and resilience. The evolution and convergence of the cultivation methods in Rémy Cointreau’s *terroirs* towards agroecology, with the main objective of soil health, will continue to increase the central role of biodiversity, already supported and promoted by numerous programmes. In the long term, thanks to its partnership with Genesis, the Group wants to measure the evolution of the biodiversity of its *terroirs*.

The biodiversity of each region is unique and plays a major part in the distinctiveness of Rémy Cointreau's spirits. It is important that the Group takes action to protect this biodiversity according to the *terroirs* and natural resources used. From Charente to the Pacific North West, Rémy Cointreau accordingly gives special consideration to each site, taking steps to conserve its biodiversity so that it can secure the site's long-term future and continue making exceptional products. Thus, the Group is committed to ensuring that all of its Houses have at least one "Biodiversity project" by 2025 (70% in 2021/2022).

In addition, the Group is committed to ensuring that its wood supply (particularly for its ageing casks) promotes a sober, hierarchical and circular use of forest resources. Thus, by 2025, 100% of new barrels purchased by the Group will be FSC or PEFC certified (sustainably managed forests).

In line with these commitments, Rémy Cointreau supports the **act4nature** initiative, of which it has been a partner since 2018 (commitment recognised as SMART since 2020). To that end, Rémy Cointreau has signed the collective declaration on the inclusion of nature (fauna, flora, ecosystems, etc.) in the Company's strategy. The aim is to take concrete action for biodiversity conservation and restoration.

Action plans

The Group's biodiversity actions are based on several themes presented below, all of which contribute to the objectives mentioned in the Biodiversity Policy (above):

Biodiversity sponsorship

PARTNERSHIP WITH THE FRENCH FORESTRY COMMISSION (OFFICE NATIONAL DES FORÊTS – ONF)

Because forest cover helps to protect biodiversity by safeguarding natural habitats, the House of Rémy Martin has been involved for more than ten years in protecting forests in France through a corporate sponsorship initiative in partnership with the French Forestry Commission (Office National des Forêts – ONF) and its "ONF-Acting for the forest" fund. Since 2021/2022, particular emphasis has been placed on the development and adaptation to climate change of pedunculate oak, characteristic of the production of Rémy Martin cognacs (commitment 2 – act4nature international):

- 2010/2012: funding for a scheme to plant 115,000 oak trees on around 40 hectares in the Senonches national forest in Eure-et-Loir, France. The aim was to replace existing tree species on this site (Sitka fir and Douglas fir) with sessile oak, and thus encourage biodiversity through improved compatibility with the region's climate, terrain and soil;
- 2013/2014: funding for the restoration of the Parc François I^{er} in Cognac, which was severely damaged during the great storm of 1999. The new landscaping work was approved by the local council and consisted of planting more than 300 oak trees and building a wooden observatory on a natural promontory. A nature trail with information boards was also created, to raise public awareness of biodiversity conservation issues;
- 2015/2016: funding for improvements at La Braconne Bois-Blanc national forest. Located east of Angoulême, this forest is the largest forested area in the Charente region and

was also affected by the 1999 storm. To raise public awareness of forestry protection by providing first-class visitor facilities offering enjoyable new ways for visitors to experience the forest, the ONF has developed a multimedia trail and harnessed new information and communication technologies to communicate its message (smartphone app);

- 2016/2017: funding for improvements in the Vouillé-Saint-Hilaire national forest (Poitou-Charentes). Designed to raise public awareness of biodiversity, the project involves afforestation and the planting of 300 oak trees near to a visitor centre;
- 2017/2018: funding for a sponsorship scheme to secure the future of the Moulières national forest in Vienne. The project focused on forestry renewal with the reforestation of a dozen hectares with more drought-resistant oaks;
- 2018/2019: funding for two sponsorship schemes involving pedunculate oak. The first project, entitled "Renaissance", is aimed at creating a network of small plantations to find out whether pedunculate oak trees in Poitou-Charentes can adapt to climate change. The second project consists of establishing pedunculate oak in the Monnaie national forest (Maine-et-Loire), to promote and preserve this species in the forest;
- 2021/2022: financing of the "Éco-Horte: a school forest" project. The Horte national forest, which covers 1,140 hectares, will be the subject of an innovative participatory approach with, thanks to the partnership of the ONF, the CPIE Périgord Limousin (public sponsor) and Rémy Martin (private sponsor):
 - ecological dimension: preserving the remarkable biodiversity of the site through actions to promote habitats,
 - scientific dimension: monitoring the adaptation of forest species to climate change, and in particular pedunculate oak, which is used for the House's ageing casks,
 - educational dimension: raising awareness among schoolchildren and the general public,
 - participatory dimension: by involving citizens during small projects and also in the co-construction of the project.

THE BOTANIST (ISLAY): PARTNERSHIP WITH BOTANIC GARDENS CONSERVATION INTERNATIONAL (BGCI)

In 2021/2022, the Islay site continued its work to preserve local biodiversity through several projects and initiatives within the community. Thus, the participation in the financing of a PhD student from the UKCEH (Centre for Ecology & Hydrology) began in May 2021 and focuses on the preservation of native juniper, a currently threatened species.

Since its creation in 2015, The Botanist Foundation has been carrying out environmental projects together with the island's inhabitants. The aim is to improve understanding and conservation of the island's botanical diversity. Actions continue to be carried out to protect the 22 essential plant species for the production of The Botanist gin, by integrating the ecosystems necessary for them to grow properly. It should be noted that since the creation of The Botanist gin, it has been decided not to use any rare or uncommon plant. The 22 plants used are relatively common, can be easily found on the island and a real attention is paid picking, which is entirely done by hand.

Beyond this local focus, The Botanist Foundation has partnered this year with Botanic Gardens Conservation International (BGCI), an independent UK charity working to create a global database of the world's botanic gardens for plant diversity conservation. The Foundation's objective is to raise public awareness of the importance of protecting plant diversity.

As part of this partnership, The Botanist launched a limited edition The Botanist x BGCI in 2021/2022: for each bottle purchased, £5 was donated to BGCI, to support biodiversity and plant conservation projects worldwide. This initiative will enable 20 botanical gardens to protect endangered plant species.

Developing agroforestry in the terroirs

BARBADOS: MORE THAN 1,000 TREES PLANTED IN 2021/2022

The House of Mount Gay is fully committed to the national tree replanting programme We Plantin, whose objective is to plant 1 million trees on the island of Barbados. In this context, the House wants to contribute 1,000 trees per year.

In 2021/2022, 1,016 new trees were planted by Mount Gay, exceeding its annual target. The varieties chosen are made up of numerous indigenous fruit trees, such as coconuts, avocados, cashews, golden apples, bajan cherries, Suriname cherries, carambola, flamboyant, laurel, passion fruit, guava trees, papaya, mango, water apple, pomegranate, blackberry, tamarind, ackee, river tamarind, lime, mahogany, banana and many others.

These trees were planted in the food forest (created in 2020/2021, this food forest is similar to a food production system based on sustainable plants that requires little maintenance, with the integration of shrubs that produce perennial food) and orchards, as well as to the east of the site to protect young plants from wind damage (breakage and leaf stripping).

TELMONT: 2,500 TREES BY 2023

In 2021/2022, 60 trees were planted on the Telmont plots, with the aim of reaching 2,500 European hornbeam and forming bowers at the end of the plots by 2023. The latter will protect against erosion, against the dispersion of phytosanitary products and will promote biodiversity (insects and birds). It should be noted that an interesting property of the bower is that it attracts entire tit colonies, which frees crops of their parasitic insects.

Preserving pollinators and endangered species

COGNAC: PARTNERSHIP WITH THE BIODIVERSITY OBSERVATORY AND UN TOIT POUR LES ABEILLES (A HOME FOR BEES)

The House of Rémy Martin responded to the call for volunteers launched in France by the National Biodiversity Observatory (*Observatoire National de la Biodiversité in 2020*). Today, more than 600 plots in France are monitored using four protocols: butterflies, terrestrial invertebrates, pollinators and earthworms. The objectives are as follows:

- obtain data on the local useful biodiversity;
- gain more in-depth knowledge on ties between biodiversity and agricultural practices;
- educate and train stakeholders of the agricultural world in biodiversity;
- implementation by farmers of observation protocols (collective watchdog).

The House of Rémy Martin has rolled out this programme on 17 plots: 5 in Domaines Rémy Martin and 12 belonging to AFC partner winegrowers. Observations and counting of earthworms, wild bees and butterflies have thus begun and changes will be monitored year after year to promote the implementation of agricultural practices favourable to the development of biodiversity in the vineyards.

Since 2012, Rémy Cointreau has been involved in the preservation of bees, in partnership with the association *Un Toit pour les Abeilles*. Ten beehives have been installed in the heart of the Bel-Air forest, in Charente, where a beekeeper committed to this approach ensures the smooth running of the various steps leading to the production of honey. The honey is certified as organically produced and carries the *Bio Sud-Ouest France* label. As in previous years, it was distributed to all employees in France. Each pot of honey is accompanied by an educational leaflet on the importance of bee protection.

MOUNT GAY INVESTS IN THE PROTECTION OF BEES

Between the Domaine and the Distillery, Mount Gay and a consultant beekeeper installed more than 25 new beehives in 2021/2022. Only 23 of them have really established themselves because bees tend to migrate according to climate change and other hazards.

Protection of fauna and flora endemic to the Group's terroirs

THE HOUSE OF RÉMY MARTIN AND THE DOMAINE DES HAUTES GLACES: PARTNERSHIP WITH THE FRENCH BIRD CONSERVATION LEAGUE (LPO)

In 2010, an environmental project was launched at Domaines Rémy Martin to conserve biodiversity. In partnership with the LPO (French bird conservation league), an afforestation project was carried out on a plot on the banks of the Charente, while allowing the traditional local fauna and flora to once again occupy the natural environment.

As part of this partnership, flora and fauna surveys conducted by the LPO were carried out every three years. In 2021, they showed a further improvement in the diversity of species in the plot. The planting of several tree species (poplar, ash, etc.) on this site also plays an important role in filtering drinking water and contributes to biodiversity conservation (GRI Standard 304-3). The latest diagnostic assessment carried out revealed a high floral diversity, the presence of four remarkable plant species on the banks of the Charente, and twenty-two remarkable species of wildlife, also near the river bank.

A forest assessment was carried out on the plot in 2019. The results were extremely satisfactory and indicated that afforestation is steadily increasing. This proves that biodiversity conservation as an environmental objective does not adversely affect the growth of planted trees. The plot therefore meets the two commitments of effective biosequestration of atmospheric carbon and conservation of local flora and fauna.

Domaine des Hautes Glaces also worked with LPO during the construction of its new production site in Cornillon, in Trièves (French Alps). Choices for the preservation of fauna on its site have been put in place: passage fencing respectful of small animals, reasonable food during the winter, protective barrier against drowning.

WESTLAND: PRESERVING GARRY OAKS AND SALMON

Various efforts are being made by Westland to conserve local biodiversity, in particular through the protection of two keystone species, salmon and Garry oak (*Quercus garryana*), which are central to the region's ecosystem and play a key role in the survival and conservation of more than 130 other local plant and animal species.

As such, Westland supports the "Salmon Safe" label to protect salmon habitat and the local biodiversity that depends on the species.

In 2021/2022, Westland continued its partnership with Forterra for the maintenance of Garry oak trees planted in recent years. For two years, this local association has been working to protect and enhance local ecosystems. Westland has planted 600 oak trees on a four-hectare plot in the Schibig Lakeview nature reserve near the distillery. Currently, 250 trees have reached a good maturity stage. Westland employees volunteer to maintain and monitor the plots to ensure a high survival rate among the young oak trees. The aim is to achieve a survival rate of at least 40% for oak trees (commitment 2 – act4nature international).

Actions are also carried out to reintroduce the "Western Bluebird" (*Sialia Mexicana*), which usually inhabits this type of forest and has practically disappeared from the region.

Working on the biodiversity of cultivated species

BARBADOS AND ITS SUGAR CANE NURSERY

In Barbados, a sugar cane nursery was created to test and develop different species of sugar cane. The sugar cane nursery currently has 12 cultivars, whose evaluation is underway in terms of performance, yield and organoleptic profiling of the juices. The aim for the nursery is to have a source of plants that are naturally resistant sugar cane pests and diseases. Finally, it aims to preserve old varieties of sugar cane that are no longer present on the island.

HOUSE OF COINTREAU: RESEARCH PROGRAMMES WITH THE NATIONAL RESEARCH INSTITUTE FOR AGRICULTURE, FOOD AND THE ENVIRONMENT (INRAE) AND THE CENTRE FOR INTERNATIONAL COOPERATION IN AGRONOMIC RESEARCH FOR DEVELOPMENT (CIRAD)

In order to contribute to the protection of orange and sour orange trees, the House of Cointreau has chosen to support research through two programmes alongside international institutes:

- the fight against Huanglongbing (HLB) with CIRAD: HLB is citrus greening disease, a bacterium carried by an insect. A major threat to citrus groves, the bacterium attacks trees, causing premature leaf drop, stunted fruit growth and root rot. No treatment exists to date. The research programme set up by CIRAD in Guadeloupe focuses on natural techniques (tolerant rootstocks, irrigation, tillage, etc.) to limit its impact. This programme is co-financed with the House of Campari;
- genetic diversity of orange trees with INRAE: in order to contribute to the protection of orange and sour orange trees, the House of Cointreau has chosen to support an INRAE research programme on the genetic diversity of orange and sour orange trees.

The supply of oranges is a major challenge for Cointreau. It is essential for to ensure that the natural biodiversity of this citrus fruit is preserved.

Over the last two years, Cointreau has worked with the San-Giuliano research site in Corsica, and helps to cultivate 1,200 species of lemons over 13 hectares so that their properties can be studied to improve production.

A research project was also set up in Corsica on the genetics and aromatic diversity of oranges and bitter oranges. The link with the *terroir* will also be studied and the results of these studies are expected in 2022.

Conservation of forests: purchases of new sustainable barrels

Forests are home to the majority of the global terrestrial biodiversity and the ecosystem services they provide are of local, regional and global concern. Deforestation leads to the destruction of ecosystems and the fragmentation of natural habitats, threatening 80% of terrestrial biodiversity.

In general, FSC and PEFC certifications have a positive impact on the environment, compared to non-certified and conventionally managed forests.

These impacts are observed in particular for fauna, with various studies showing that the FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification Scheme) labels manage to preserve animal species, including those listed as threatened and vulnerable by IUCN.

Rémy Cointreau wants to act responsibly and sustainably when it comes to sourcing wood for the barrels used to age its *eaux-de-vie*. **With a target of 100% of new casks purchased being FSC or PEFC certified by 2025, the Group is committed to sustainable forest management and against deforestation.**

In 2021/2022, this rate had already reached 55% for the Group as a whole, including 100% for the House of Telmont and Bruichladdich Distillery, and 56% for the House of Rémy Martin. Since 2003, all large-capacity barrels and around half of the new barrels purchased by the Cognac site are made of PEFC certified wood. (Programme for the Endorsement of Forest Certification Scheme – an international NGO that promotes the protection and sustainable management of forests worldwide).

1.3.1.4 CLIMATE CHANGE ADAPTATION

Challenge

Climate change could have a dramatic impact on the production and quality of the agricultural raw materials used by Rémy Cointreau, due to the increase in sunshine, repeated, prolonged droughts and the frequency of adverse weather events such as late frost.

Policy

Our teams are therefore committed to medium- and long-term actions to ensure the quality and sustainability of the supplies. Thus, the Group has set itself the objective of having identified **100% climate-resistant varieties by 2030** for all of its priority agricultural materials.

Action plans

Adaptation of the vineyard

Beyond resilience to prolonged periods of drought, studies carried out on the vines also include an increase in the pressure of fungal diseases in the vineyard (mildew, powdery mildew), which could accompany a rise in temperatures.

Thus, in Cognac, Domaines Rémy Martin are involved in three major studies and others should be initiated in 2022:

- **the resilience of Monbadon (old grape):** the studies focus on the physiological and qualitative characteristics of an old grape variety, Monbadon, in order to assess its adaptation to climate change. They are carried out in partnership with the CVC (*Conservatoire du Vignoble Charentais*). An 8,000m² site was planted for the study, which covers the period from 2018 to 2028 (harvesting of grapes, monitoring and distillation of the wines obtained). The results obtained show a good yield and a later maturity, with wines that have given very high quality *eaux-de-vie*, after distillation. However, this remains to be confirmed in the coming years;
- **grape varieties resistant to mildew and powdery mildew:** since 2003, grape varieties resistant to the main vine diseases and suitable for Cognac production have been created by crossing a resistant grape variety with Ugni Blanc, currently the main grape variety in the Cognac region. Eight hundred seeds were obtained, from which three resistant varieties were selected and planted in small plots on the Rémy Martin estates. The actual test study began in 2018 and will run until 2028, in collaboration with the BNIC wine station and INRAe (French National Institute for Research on Agriculture, Food and the Environment).

This year, the grape varieties showed good resistance to mildew and powdery mildew, while the reduction in the use of treatment products was 80 to 90%.

Two of the three varieties tested joined the catalogue of vine varieties in 2021, which opens the prospect of a wider regional deployment and their eventual integration into the AOC Cognac specifications in the future. The experience acquired by Domaines Rémy Martin in the management of these varieties and their qualitative skills will be invaluable in supporting this deployment with winegrowing partners;

- **grape acidity and wine storage potential:** global warming could also have an impact on wine preservation potential. It is essential therefore to maintain the acidity content of the grapes. A study has been launched in association with the Bordeaux Institute of Vine & Wine Science (*Institut des Sciences de la Vigne et du Vin de Bordeaux – ISVV*) on how to manage the vines to boost grape acidity. Two plots of vines have been monitored on the estate since 2017 and different wine-growing practices have been studied until (leaf removal, pruning). The measurements carried out cover the impact on the Leaf Area Index (LAI) and the resulting change in acidity of the must, wine and distillate obtained from the first distillation (*brouillis*) and the quality of the *eaux-de-vie* produced.

Adaptation of barley

In partnership with INRAE Clermont Ferrand, Domaine des Hautes Glaces is testing old varieties of barley seeds. Studies on a selection of seeds from Queyras (Hautes Alpes valley) should thus obtain varieties that are more resistant to heat and drought to adapt to future climate change.

In the United States, Westland's partnership with Washington State University also aims to select varieties that are more resilient to global warming. Research focuses on the genetic diversity of barley. One of the objectives is to design new farming methods based on low-impact environmental systems that are better positioned to take on climate change. The research base is certified organic and also focuses on regenerative agricultural systems that are safe for local ecosystems. The varieties selected will also be able to adapt more easily to extreme climate conditions such as storms, drought or increased disease pressure.

The first varieties were planted in 2021 and their performance was very satisfactory. The "heat dome" faced by the region in June 2021 eliminated a few potential varieties, but the rest held up well despite an unusually dry and hot summer. All of these trial plots were grown under certified organic conditions, ensuring that what survived could be grown under organic conditions on a large scale once marketed.

Adaptation of sugar cane

Barbados generally has two seasons, one of which records significantly more rainfall, known as the "wet season", and a season known as the "dry season". Accordingly, Mount Gay has implemented practices to mitigate these climate effects to preserve the sustainability of the local *terroir*.

Among the actions deployed, we can mention:

- modifying planting schedules in line with changes in rainfall patterns;
- selecting more drought-tolerant sugarcane crops;
- using river tamarind as a natural windbreak to protect crops from strong winds;
- managing the plantation's draining basins to prevent flooding and protect natural habitats.

Mount Gay also has a nursery with a pool of planting equipment, essential for anticipating risks related to climate change such as pests, diseases and flooding. Mount Gay's collection is made up of 12 varieties of sugar cane which enable us to study their response capacity to future climate hazards.

The expected results of ongoing studies will enable local sugar cane cultivation to continue under more severe drought conditions, which is essential to ensuring the sustainability of the *terroir* of Barbados.

1.3.2 ACTING FOR OUR PEOPLE
 AND OUR COMMUNITIES,
 BECAUSE SUSTAINABLE
 TRANSFORMATION CAN ONLY
 BE ACHIEVED TOGETHER

1.3.2.1 EMPLOYEE WELL-BEING (SGD 8)

Challenge

The women and men who make up Rémy Cointreau are a fundamental asset because they embody the know-how passed down from generation to generation, which is essential to the development of exceptional products. We have a responsibility to ensure their health and safety in optimal working conditions and to support them in their professional development. We consider, for example, that the absenteeism-related indicators or the staff turnover rate provide an overall indication of how well we are taking into account the needs of our employees.

Policy

The Group is committed to the professional development of its employees, to diversity and to strengthening the sense of belonging to the Group. The Rémy Cointreau Group is also committed to providing and maintaining a working environment that ensures the health and safety of staff, customers, external stakeholders, visitors and the general public who may reasonably be affected by its activities. The Group's policy in this area is to prevent accidents, illnesses or other injuries by ensuring that risks are taken into account in the operational management of production processes. Furthermore, in France, in keeping with its historical choices, Rémy Cointreau promotes collective agreements in all areas of negotiation.

In addition, the Group remains very vigilant with regard to changes in the Human Resources indicators monitored. Any deterioration in these indicators allows for sufficiently early action to be taken to prevent deterioration in working conditions, understood in the broadest sense.

Rémy Cointreau ensures that all its activities comply with the laws and regulations in force in all the countries in which it operates. The Group invests to continually improve working conditions, taking into account the specific challenges of each business. While health and safety is a global commitment, our entities around the world are each responsible for implementing measures to provide the best possible working conditions. This is reflected in the Quality, Health and Environment policies that are implemented locally and communicated to new employees during their induction. In addition, training courses are regularly organised at our industrial sites in France to take account of any changes in standards, legislation or regulations.

Action plans

Rémy Cointreau supports local and Group-wide initiatives to improve working conditions and promote employee well-being.

In particular, during the 2021/2022 financial year, Rémy Cointreau repeated a global satisfaction survey to measure employee commitment. This type of survey is, therefore, intended to be conducted every two years in order to measure the progress made.

The results of this survey, to which 86% of the Group's employees responded (compared to 83% for the survey conducted in 2019/2020), will, as in previous years, be presented at each of the sites during the 2022/2023 financial year. Subsequently, meetings with groups of employees will make it possible to develop action plans taking into account the opinions and feedback collected during these meetings as part of a continuous improvement process.

With the lifting of a certain number of health restrictions at the end of the financial year and to meet the expectations of employees and candidates who wish to be able to more easily reconcile their professional and private lives in France, the Company has reactivated the remote working charter. The latter, revised during the 2020/2021 financial year, gives the possibility of agreeing fixed and/or occasional remote working days thus authorising up to two days of remote working per week. These provisions make it possible to renew professional ties that have been damaged by successive periods of lockdown.

In March 2022, at the Paris site, the registered office employees moved into a new workplace. These new spacious and functional premises, adapted to "flex-office" working, offer employees even better working conditions in a very modern setting, with the most recent standards in terms of energy efficiency, on three floors bathed in light in the heart of Paris. Open space work islands have been created for each team to encourage communication and informal exchange within the team and with other teams. In these islands, each employee now has an individual space of 12m² outside the useful areas (corridors, storage units, landings, etc.).

During the financial year, in the context of the health crisis linked to the Covid-19 pandemic, the Group maintained a large number of local initiatives adapted to each context, to preserve the well-being, health and safety of its employees.

The various entities maintained strict health protocols in accordance with the recommendations of local health authorities. For example, employees continue to have access to kits containing masks, hydroalcoholic gel and disinfectant spray.

In addition, the Group closely monitors the turnover rate of the Group's employees in order to analyse the causes of any deterioration, if necessary. For the 2021/2022 financial year, the Group has made 347 recruitments, mainly in the sales force (19%), marketing (19%), finance (11%) and production (6.9%). 91% of recruitments are permanent contracts.

At the same time and within the same scope, there were 255 who left the Company, the main reasons being resignations (62.7%), redundancies (13.7%), mutually-agreed departures (8.6%), the end of fixed-term contracts (8.2%) and retirements (6.7%).

Thus, the turnover rate was 15.6% of the population (GRI Standard 401-1 indicator). The Company's objective is to ensure that the rate does not exceed 17%, taking into account the pressure on employment in certain markets where the Group operates.

In addition, the Group continues to monitor the evolution of the workforce as an indicator of vigilance. Thus, as of 31 March 2022, the Group's total headcount reached 1,924 employees on permanent contracts (CDI) and fixed-term contracts (CDD and work-study).

CSR CHALLENGES (STATEMENT OF NON-FINANCIAL PERFORMANCE)

MANAGING THE RISKS AND CHALLENGES: POLICY, ACTION PLANS AND INDICATORS

In order to raise employee awareness of accident prevention in the workplace, the accident frequency rate indicator for industrial sites in France is part of the profit-sharing criteria developed under a collective agreement signed with the social partners.

For example, it can be noted that the Angers site saw its workplace accident frequency rate indicator equal to 0 (no accidents during the financial year).

HEADCOUNT BY GEOGRAPHIC AREA (GRI STANDARD 401-1)

	March 2022	%	March 2021	%	March 2020	%
France	794	41.3	745	40.7	725	39.1
Europe (outside France) – Africa	315	16.4	305	16.6	323	17.4
Americas	340	17.7	347	18.9	366	19.8
Asia	475	24.7	435	23.7	439	23.7
TOTAL	1,924	100	1,832	100	1,908	100

HEADCOUNT BY ACTIVITY (GRI STANDARD 401-1)

	March 2022	%	March 2021	%	March 2020	%
Group brands	820	42.6	757	41.3	751	40.5
Distribution	1,027	53.4	1,001	54.6	1,020	52.2
Holding	77	4.0	74	4.0	82	4.4
TOTAL	1,924	100	1,832	100	1,853	100

The distribution activity still represents more than half of the Group's workforce (53.4%).

HEADCOUNT BY FUNCTION AND POSITION

	March 2022	%	March 2021	%	March 2020	%
Commercial	540	28.1	537	29.3	538	29.0
Marketing	289	15.0	248	13.5	262	14.1
Production	268	13.9	267	14.6	268	14.5
Farming – Distillation – Ageing	178	9.3	163	8.9	157	8.5
R&D – Quality – Environment	92	4.8	76	4.1	84	-2.0
Supply Chain	113	5.9	99	5.4	137	7.4
Purchasing	27	1.4	-36			
Finance & Legal	215	11.2	216	11.8	213	11.5
IT	67	3.5	62	3.4	61	3.3
Human Resources	62	3.2	55	3.0	63	3.4
General Services	21	1.1	19	1.0	25	1.3
Senior management	52	2.7	54	2.9	45	2.4
TOTAL	1,924	100	1,832	100	1,853	100

The breakdown by gender is stable; men represent 54.0% of the workforce, women 46.0%, with different positions depending on the business line and country (GRI Standard 401-1 indicator).

By profession, men are mainly represented in the ageing, maintenance and sales professions. Women are more predominant in marketing, customer service and packaging.

The average age of the Rémy Cointreau Group's workforce is 41.1 years, with a slightly higher average age in France (42.3 years).

The average seniority of the Group's employees is 7.6 years, with an average in France of 9.4 years.

The Group also monitors the absenteeism rate for France, Barbados and Islay. Over the next five years, the Group intends to include Domaine des Hautes Glaces and Westland in this scope. For the year ended, the cumulative absenteeism rate, measured in hours of absence per theoretical hours worked, was 1.80, down slightly on the previous year. This rate does not include long-term illnesses of more than 90 days' absence (GRI Standard Indicator 403-2).

In addition, the frequency rate of work-related accidents at the production sites in France (excluding DHG), Barbados and Islay for 2021/2022 is 7.92, expressed as the number of work-related accidents with time off per million actual hours worked (GRI Standard Indicator 403-2). Over the next five years, the Group intends to include Domaine des Hautes Glaces and Westland in this scope.

The severity rate, expressed as the number of days lost due to work-related accidents per thousand actual hours worked, was 0.30 (GRI Standard Indicator 403-2). In order to remedy the causes of each accident, members of the Health and Safety Committees systematically draw up a cause tree and submit conclusions and recommendations to the committee.

1.3.2.2 NON-DISCRIMINATION AND INTERNAL SOCIAL BALANCE (SDG 5 AND 10)

Challenge

Rémy Cointreau aspires to have a fair representation of the employment areas, the markets in which it operates and its end customers. In this respect, the Group wishes to preserve its good reputation with regard to the various stakeholders in order to maintain its attractiveness on the one hand and to guarantee social balance on the other.

Policy

With regard to equal treatment of men and women and non-discrimination in general, the Rémy Cointreau Group has decided to implement international procedures and processes that guarantee fair treatment of the Group's employees. Non-discrimination without distinction as to race, religion, colour, age, sex, national origin or any other discriminatory factor not based on professional requirements is an integral part of Rémy Cointreau's policies and practices, particularly in the context of recruitment, promotions, transfers, remuneration and training.

Thus, the documentation given to employees upon induction in one of our entities reminds them of the legal or contractual provisions applicable in terms of non-discrimination and also remind them of the procedures applicable if an employee is a victim of such a situation.

In terms of professional development, Rémy Cointreau strives not to discriminate, for example, at the time of salary reviews. For example, the employee guide given to employees at our European management site in Switzerland stipulates that "The prohibition of any discrimination applies in particular to hiring, the assignment of tasks, the adjustment of working conditions, remuneration, training and professional development, promotion and the termination of employment relationships".

Rémy Cointreau is also committed to ensuring that its practices with regard to the organisation of work and other time spent in the Company aim, as far as possible, to maintain a good balance between professional and private life, allowing in particular for parenthood.

With regard to remuneration, the Group has undertaken in France to develop its remuneration policy to ensure that gender is not a criterion taken into account. 3 areas have been formalised with a common objective and measurement indicators:

- no gender difference on the hiring salary for equal skills;
- no gender difference in individual salary increases for equal performance and market ratios;
- analysis of gender differences on base pay at equal levels of employment, experience and performance, and action plan to reduce them.

Action plans

In France, there are facilities in terms of working time arrangements for accompanying children in a hospital setting. In addition, as far as possible, meetings are organised during working hours and training sessions are scheduled sufficiently early to allow parents to organise childcare. The parties wished to adapt the application of family solidarity leave and to allow the employee concerned to review within his or her management part-time work when employees are required to manage certain family events.

Remuneration policies are framed by role evaluations informed by a methodology and by expertise from outside the Company and by performance evaluation based on identified skills and shared objectives. Recruitment and internal mobility policies are subject to international procedures and/or charters that guide managers and encourage collegial decision-making based on objective criteria.

To strengthen its social balance through a sense of belonging, in 2021 the Group rolled out its first employee shareholding plan reserved for employees of the various entities based in France, called "My Rémy Cointreau". This operation, which is part of the Group's transformation strategy plan by 2030, offered employees the opportunity to acquire, via a mutual fund, shares of the Company at a discounted price. This employee shareholding plan was marked by a significant subscription rate of nearly 77% of assets, reflecting a strong expectation of employees to be fully and sustainably involved in the achievement of long-term objectives.

In order to continue to foster the Group's multicultural identity and promote diversity, the Group is actively committed to promoting the professional integration of young graduates (3 years of higher education or more) under the age of 30, from low-income social backgrounds or from priority areas. In particular, the partnership with "Our Neighbourhoods Have Talent" initiated at Rémy Martin in 2014 has continued to promote the professional integration of young graduates from disadvantaged backgrounds. In this important and supportive social scheme, the Company's sponsors play a very important role with all these young people who have lost confidence and are concerned about their future by giving them valuable advice on how to improve in recruitment interviews and sharing their professional network. Since 2014, this scheme has helped 91 young graduates and contributed to the hiring of 46 young people on permanent or fixed-term contracts.

In Paris, our site has been involved since 2017 with *Sport dans la Ville*, the main association for integration through sport which supports young people from priority neighbourhoods on the path to training and employment. Once again this year, Paris employees were invited to take part in CV workshops and interview simulations for people who are far from employment. In Angers, the Group continued to choose to pay its apprenticeship tax to organisations, schools or support structures that promote the integration of disabled workers.

The Cognac site is continuing its efforts to promote the integration of people with disabilities into the world of work. Rémy Martin took part in the creation of LABEL HANDIWE in Charente (an engaged disabled employer) alongside the Ohé Prométhée association. This label is intended to recognise companies that have demonstrated their desire to promote the reception and retention in employment of people with disabilities. For Disability Week in November 2021, Rémy Martin also took part in a reverse job dating event to help disabled employees in the Cognac region return to work.

To train the talents of tomorrow and encourage generational diversity, Rémy Cointreau is committed to apprenticeships. On the French sites, young apprentices (at Bac Pro to Bac +5 level) learn a trade, with a view to rapidly developing the rigour, creativity and professionalism expected in the professional world. The Rémy Cointreau Group has therefore continued its proactive policy on work-study training, with the renewal of work-study contracts that have expired when necessary and the recruitment of new contracts for new professions. At the end of March 2022 the proportion of these contracts represented 4.16% of the workforce in France, up from the previous year.

In addition, each trainee is given an interview before departure to review his or her training within the Group and share the vision of his or her future direction.

Finally, with a view to developing the international skills of young talent, Rémy Cointreau offers international volunteer contracts (VIE) throughout the world.

The Group is monitoring the ratio of female to male managers, which for the 2021/2022 financial year is 48.4% at Group level, an increase on the previous year (45.7%). In addition, in France, we monitor the weighted difference in promotion rates between women and men per calendar year. In 2021, this was 3.96% in favour of women, which translates into a promotion rate (proportion of employees promoted in the sense of the socio-professional category) of 6.6% for women against 3.4% for men. This indicator is part of the calculation of the Gender Equality Index as defined by the decree relating to the application modalities and published in the *Journal Officiel* on 9 January 2019, amended by the decree of 25 February 2022. In addition, the gender equality index will be published by the Group during the 2021/2022 financial year in compliance with the legal provisions.

The Group also ensures fair access to training for employees. Thus, during the 2021/2022 financial year, the ratio of women to men who have benefited from at least one training course is 42.9%, down slightly compared to the previous financial year.

1.3.2.3 IN-HOUSE TRAINING AND SKILLS DEVELOPMENT (SDG 4)

Challenge

The challenge for Rémy Cointreau is to be able to maintain the adequacy of the Company's qualification needs by maintaining and developing the skill level of its employees. The human resources policy must constantly anticipate the Group's needs and this is particularly the case in terms of training.

Policy

Rémy Cointreau is committed to promoting the development of skills, in particular through internal training, which is necessary for the transmission of the know-how that is essential for the development of our exceptional products.

Rémy Cointreau also supports the development of its employees by offering them the possibility of enriching their professional experience through professional and geographical mobility opportunities.

Action plans

Despite the health crisis linked to the Covid-19 pandemic, Rémy Cointreau has maintained its international tools to promote the development of its employees' skills. The performance evaluation process, succession plans, training and international mobility policies, each led by a dedicated resource at the head office, focus resolutely on the implementation of collective or individualised action plans aimed at supporting the professional projects of the men and women of the Group, encouraging the development of skills and promoting team performance.

Due to the Group's highly international activity, 58.7% of Rémy Cointreau's workforce is located outside France as of 31 March 2022. Rémy Cointreau believes that the Group's multicultural dimension represents a major asset in its international development. International mobility – both professional and geographical – contributes to the widespread dissemination of the Group's values within its organisation. To this end, in 2017, Rémy Cointreau reformalised an international mobility policy which seeks, through the homogenisation and standardisation of practices (common global standards), to encourage international mobility to meet the Group's needs in terms of employees' career development or assignments abroad at the request of the employee.

The Group's commitment to diversity is also expressed in its desire to encourage the creation of teams comprising men and women of different ages, backgrounds and professional experience.

In particular, a process for identifying key positions, shared with the Executive Committee, ensures that the Group has the skills necessary for its development and/or guides human resources decisions to guarantee the organisation's long-term future.

Training is geared towards sharing experiences in all countries where the Group operates. Rémy Cointreau encourages its employees to take an active role in their mobility and professional development. In close collaboration with their Human Resources Department, managers actively participate in the skills development plan and in the management of their teams' career paths.

For the 2021/2022 financial year, the Group has implemented a monitoring indicator expressed as a percentage of employees who have benefited from at least one training session per year. This indicator for the scope covered (excluding Europe and Domaines des Hautes Glaces, Brillet and Telmont) stands at 80.1% of the population, up strongly compared to last year (69.2%), due to the integration of the Europe zone in this monitoring. The Group's ambition is to be able to extend this indicator to all production sites worldwide and commercial subsidiaries with more than 20 employees and to maintain this rate above 50%.

In addition, during the 2021/2022 financial year, the number of hours of training declared for the entire Group (excluding Domaine des Hautes Glaces, Brillet and Telmont) was 30,436 hours, of which 13,381 were for women and 17,055 for men (GRI Standard 404-1 indicator). The objective is to be able to extend this indicator to the remaining production sites.

A good understanding of the Company's culture is a guarantee of performance. Rémy Cointreau takes care to support its new employees as they begin their duties by offering them, through integration programmes, the chance to discover the values and history of our companies and the managerial culture that is so specific to Rémy Cointreau. More specifically, in France, the mentoring system is an integral part of the integration programme. The objective is to give new employees the keys to facilitate their integration by quickly discovering the Company's culture. Each new employee joining Rémy Cointreau on a permanent contract is assigned a mentor. This person shares his or her experience in all aspects of life in the Company and is a privileged contact who helps the employee find his or her way around the Company on induction and during his or her first few months.

1.3.2.4 RESPONSIBLE AND ETHICAL CONSUMPTION (SDG 3)

Challenge

The promotion of responsible consumption is a key issue for Rémy Cointreau. The fact that the Group's products are positioned at the high end of the range brings with it a major commitment to responsible consumption and the protection of our exacting clients, from both an ethical and performance point of view.

Policy

Rémy Cointreau's responsibility on the subject of responsible consumption of products covers two areas:

- promoting responsible consumption;
- promoting responsible communication.

The Group's "value strategy", which has guided it for several decades, argues for responsible consumption: structurally high-end positioning of the portfolio, limited growth in volumes and constrained by availability (in particular for cognac), and significant price increases every year.

In addition, for several years, Rémy Cointreau has played an active role in representative organisations that develop action plans to raise awareness among consumers about responsible alcohol consumption (GRI Standard 417-1).

Lastly, awareness-raising and internal training actions for its employees have also been regularly carried out, particularly at its main sites in Cognac and Angers.

Well aware of its duty to set an example, the Group nevertheless intends to further accelerate its internal and external awareness-raising and communication actions from 2022/2023. Its responsible consumption plan is based on three pillars:

- **internal education**, with the launch of a proprietary responsible consumption ritual (R.E.S.P.E.C.T) in December 2021, mandatory e-learning and webinars in the main markets planned for 2022/2023. The objective is to have 100% of the Group's employees trained by March 2023;
- a specific and *ad-hoc* programme for the Group's sales representatives will be launched in 2022/2023, including specific training as well as regular medical and psychological monitoring. The objective is for 100% of them to have been included in this programme by 2025;

- the external communication on responsible consumption will be accentuated, at the initiative of the Group, the Houses and the main markets to raise awareness among its stakeholders, bartenders and customers. The Group's objective is for all Houses and main markets to communicate at least once a year by 2025.

Action plans

Commitment to representative organisations

Rémy Cointreau is active in the following major organisations:

- in France: the FFS (*Fédération Française des Spiritueux*, or French federation of spirits producers), the FEVS (*Fédération des Exportateurs de Vins et Spiritueux*, or French federation of wine and spirits exporters) and the *Prévention et Modération* (Prevention and Moderation) association;
- in Europe: spiritsEUROPE (the European Spirits Industry Federation);
- in the United States: DISCUS (Distilled Spirits Council of the United States);
- in Barbados: BAIA (Barbados Alcohol Industry Association);
- in Asia: APISWA (Asia Pacific International Spirits and Wines Alliance);
- in China: FSPA (Foreign Spirits Producers Association).

One of the objectives shared by all these groups is to contribute to the development of alcohol action plans to assist governments to protect consumers, through their members' ethical commitments and advertising self-regulation.

By their very nature, it is impossible to measure quantifiable results on these major and long-term measures. Nonetheless, the outcomes of these programmes mean that international bodies (WHO, OECD) consider that:

- the primary objective of the actions is to combat excess alcohol consumption;
- the voice of the spirits industry is important in establishing consumer protection programmes and, as a result, representative organisations must be present during discussions addressing the issue of responsible consumption by consumers;
- the principle of ethical self-regulation of the promotion and advertising of spirits provides a guarantee of safety for the consumer.

The spirits industry continues to improve the information provided to consumers (packaging, development of online information) by developing web sites dedicated to disseminating knowledge about the health risks of alcohol.

In France, Rémy Cointreau continues to invest in the "Alcohol Prevention" plan. Drawn up by five professional bodies in the alcoholic beverage sector, the plan commits professionals to being proactive in preventing risky behaviours. Several actions are proposed, such as supporting people who may have a problem with alcohol and issuing breathalysers.

Raising awareness and educating to promote responsible consumption

R.E.S.P.E.C.T: THE GROUP'S PROPRIETARY RESPONSIBLE CONSUMPTION RITUAL

Just before the 2021 holiday season, the Group launched its responsible consumption ritual: R.E.S.P.E.C.T.

R.E.S.P.E.C.T aims to support the Group's employees (before an external launch) in an experience of responsible consumption of its exceptional wines and spirits, with simple and easy-to-remember steps, each of the R.E.S.P.E.C.T letters representing an action from this ritual.

R for READY: "Get Ready, by drinking water"

E for EAT: "Eat before and during the tasting"

S for SIP: "Smell and Sip Slowly"

P for PAUSE: "Pause by drinking water before a second glass of alcohol"

E for ENJOY: "Enjoy responsibly: check your limits with your favorite Drink Control App"

C for CAPTAIN: "Be the captain by making sure your friends are celebrating responsibly too!"

T for TIME: "Take your Time"

This ritual has been integrated into the induction process for new employees in the Group and is regularly promoted at internal meetings (notably on the occasion of the "CSR Day" at the Angers site). In Cognac, R.E.S.P.E.C.T was detailed in the form of seven videos containing the principles of responsible tasting for the WeCare Academy (Rémy Martin training on the House's CSR initiatives for employees).

COMMUNICATION AND PROMOTION OF RESPONSIBLE CONSUMPTION

In Barbados, very involved in its local community, Mount Gay was once again active in 2021/2022 with its responsible consumption campaign "Know your limit", including:

- posters with messages on responsible alcohol consumption in the main bars and restaurants, as well as awareness-raising posters along Barbados's busiest roads;

- social media posts, incorporating the following key messages: "Know your limit", "Use a designated driver – do not drive drunk", "Everything in moderation";
- specific advice on bottles of rum to raise awareness of the risks of drinking and driving, alcohol consumption by minors and alcohol consumption during pregnancy.



COINTREAU: LAUNCH OF "ALTERNATIVE COCKTAILS"

In 2021/2022, the House of Cointreau wanted to innovate in terms of "more responsible" consumption, with the launch of "alternative cocktails". Considered as a category in its own right, these cocktails contain an alcohol content of between 1.2° and 8° and their proportion of spirits at 40° does not exceed 25ml per glass (or equivalent). As these cocktails are not alcohol-free, the brand encourages consumers to consume them responsibly and in moderation. "Alternative Cocktails" account for 10% of Cointreau's Cocktail recipes and the target is for them to represent 20% by 2025.

NON-PROFIT COMMITMENTS & DONATIONS

In Angers, around half of the site's employees attended a training course on addictions with the Angers organisation ALIA. Around one hundred employees were made aware of this in 2021/2022.

In Barbados, Mount Gay continued its commitment to local associations through:

- donations to the National Substance Abuse Council, which is Barbados's lead agency in the fight against substance abuse and addiction. This partnership includes joint campaigns via radio and social media;
- employee awareness campaigns with the Barbados Substance Abuse Foundation (SAF), which fights against all forms of addiction, including excessive alcohol consumption;
- participation in key decisions for Barbados and the Caribbean region in terms of responsible consumption and advertising, in partnership with the West Indies Rum & Spirits Producers Association (WIRSPA) of which it is a member.

1.3.2.5 CUSTOMER INFORMATION (SDG 12)

Challenge

Thanks to the growing awareness of civil society on the dangers threatening the planet, the Group’s customers are paying more and more attention to the quality of what they consume, and also to the way they consume and their environmental footprint. Therefore Rémy Cointreau has a duty to provide transparency, answers and assurances in response to these expectations. There is also the issue of the Company’s sustainability and customer reputation.

Policy

Customers are a core concern for Rémy Cointreau, which constantly strives to closely meet their needs and expectations. To respond to them as precisely and as quickly as possible, Rémy Cointreau keeps a very close eye on client demand through constant monitoring, especially on social networks.

Rémy Cointreau is keen to develop indispensable local support for its customers worldwide in order to provide all the product information they require, for example through labelling and the information available on the Group and brand websites.

Action plans

Labelling: information regulatory and nutritional information

For the sake of transparency for our customers, regulatory and nutritional information on our champagne and spirits is available, either on the label or on dedicated websites.

Since 2019, Rémy Cointreau has been involved in the European spiritsEUROPE association alongside five of the world’s largest spirits producers and several national federations. The latter have signed a memorandum of understanding under the terms of which they undertake to gradually include the energy value of their products on the labels and to indicate the list of ingredients and the complete nutritional declaration in digital form.

By the end of 2022, the objective is for two-thirds of the products marketed by the signatories within the European Union to carry this information for better consumer information. In the long term, this will have to concern all of the Group’s products. Rémy Cointreau initiated this deployment on its European labelling and took part in the testing and launch of the “U-label” platform developed by spiritsEUROPE and the CEEV in 2021/2022 (GRI Standard 417-1 indicators).

All of the Group’s packaging also includes pictograms concerning the recyclability of packaging. It also includes a reminder of the importance of responsible consumption of products (see section 1.3.2.4 “Responsible consumption of our products”).

Distributor Questionnaires

For the past few years, Rémy Cointreau has conducted an internal rating process carried out in two steps during the year to assess the level of satisfaction of retailer customers. Areas for improvement are then systematically examined and shared with said customers.

In 2021/2022, the satisfaction score obtained was 18.0 out of 20 (compared to 16.9 out of 20 in 2020/2021). As a reminder, the rating was 17.8 out of 20 in 2018/2019 (GRI Standards 102-43 and 102-44).

The Group also responded to questions asked by retailer customers, mainly in the United Kingdom and in duty free, in terms of the Group’s CSR commitments and CSR actions at the brand level.

Ratings & Awards

The need for transparency towards customers and all stakeholders requires the Group to respond regularly to requests for information on socially responsible investment (SRI) and non-financial ratings.

The main ratings in 2021/2022 were as follows:

Ratings	Score 2020/2021	Score 2021/2022	Date obtained 2021/2022
Vérité40 Score Carbone Axylia		A	04/2021
Sustainalytics ESG Rating	Medium risk of 24.2	Medium risk of 24.7	01/2022
Gaia Rating by Ethifinance	90/100	91/100	10/2021
Humpact		8 th out of 40 companies in the same sector of activity	10/2021
CDP Climate Change	A-	A-	12/2021
CDP Water Security	B	B	12/2021
MSCI ESG Rating	A	AA	12/2021
Vigeo Eiris ESG Score	46/100	49/100	12/2021

In addition, this year, Rémy Cointreau received two awards and one recognition that attest to the merits of its CSR strategy:

Awards	Category	Awarded by	Date
Immaterial Trophy	No. 1 in “medium-sized listed companies”	Observatoire de l’Immatériel, during the 10 th National Day of Immaterial Assets	11/2021
“Supplier Engagement Leader” ⁽¹⁾	/	The Carbon Disclosure Project (CDP)	02/2022
Award for Best Sustainable Transformation	SMEs/ISEs	Leaders League, at the first edition of the Sustainable Transformation Summit	03/2022

(1) Recognition of the effectiveness with which Rémy Cointreau engages its suppliers in the fight against climate change.

Communication from sites on their responsible actions

At Cognac and Angers, the visitor circuit guides are trained each year in our CSR policy so that they can explain and promote the Group’s best practices to visitors. In addition, each site implements specific actions to inform customers and promote the Group’s values:

An activist in know-how tourism, the House of Rémy Martin is also a pioneer in sustainable tourism: in 2021/2022, it successfully launched the “Behind the Scenes of Sustainable Exception” experience for the general public, which shares the House of Rémy Martin’s environmental approach. The objective is to share and educate as many people as possible about the CSR challenges of cognac today. Building on this success, the House of Rémy Martin offers the *Bulle Verte* (green bubble) tour in Juillac-Le-Coq, which provides electric bicycles for a guided tour of the Grande and Petite Champagne vineyards, with points of interest and Gourmet breaks, to discover the *terroir* in a different way.

In 2020, Rémy Martin was picked by the DGE (*Direction Générale des Entreprises*) and by the non-profit organisation *Entreprise et Découverte* to be one of the three national companies that will follow up and participate in a call for projects on knowledgeable tourism. This project, which lasts three years, is carried out in collaboration with the French Ministry of Foreign Affairs, Culture and Education.

Lastly, since 2012, the Cognac site has held the French government’s *Entreprise du Patrimoine Vivant* (Living Heritage Company) label, which was established to reward businesses that promote French craftsmanship and tradition. At the end of 2017, the certification has been renewed for five years.

The Angers site is also the holder of the *Entreprise du Patrimoine Vivant* (Living Heritage Company) label (since 2012). It also benefits from the *Qualité Tourisme* (tourism quality) label (since 2008).

1.3.2.6 RESPONSIBLE PURCHASING (SDG 8 AND 12)

Challenge

For Rémy Cointreau, CSR implies the involvement of all its stakeholders, including its suppliers. Getting its suppliers to adopt its CSR policy is therefore a key issue for Rémy Cointreau, to ensure that all purchases are made within a responsible framework, in particular in terms of respecting Human rights, the environment and safety at work. It is also vital for the Company’s reputation with its customers.

Policy

Rémy Cointreau’s responsible purchasing policy covers all three aspects of CSR: the environment, employees and society.

To meet these objectives, the Group uses shared tools which it can offer to its global tier-one and tier-two suppliers. This applies to centralised raw material purchases managed at Group level, *i.e.* purchases including ingredients, packaging and promotional items. As part of this effort to improve transparency and ethics in its business practices, Rémy Cointreau specifically asks its suppliers to join SEDEX (Supplier Ethical Data Exchange), an international organisation that seeks to foster ethical and responsible business practices in global supply chains.

The requirement to join the SEDEX platform was included and formalised in the Group purchasing procedure updated in 2021/2022.

To facilitate the achievement of this objective, regular discussions are held with our suppliers throughout the year to present the Group’s CSR policy, particularly in the area of responsible purchasing. This year, several meetings were organised with strategic packaging suppliers, glass manufacturers, cardboard manufacturers, cork manufacturers, among others, in order to share in detail our CSR ambitions and better understand theirs.

Rémy Cointreau’s sincere and long-standing commitment to its suppliers was rewarded by the Carbon Disclosure Project (CDP), which under its “Supplier Engagement Rating” awarded Rémy Cointreau an “A” rating, along with “Leadership” status.

Action plans

SEDEX membership requirement in the Group’s “Purchasing procedure”

The SEDEX international platform has simplified the Group’s purchasing practices and allows it to share supplier audits performed by their other customers: information on working standards, health and safety, the environment and sales ethics is available online.

This year, the Group closely monitored its suppliers to update their information via the new questionnaire proposed by SEDEX.

In addition, in order to have a more detailed view of the CSR policies of our suppliers, including tier-two suppliers, in 2020/2021, it was decided to create two new indicators representative of their SEDEX commitments (GRI Standard 308-1 and 414-1 indicators):

- indicator AR1: percentage of the Group’s strategic suppliers with active SEDEX membership and giving access to all the information contained in the platform (responses to the self-assessment questionnaire, visibility on their published audits, etc.);
- indicator AR2: percentage of suppliers who are SEDEX members and who have completed all the information requested in the self-assessment questionnaire.

The self-assessment questionnaire allows SEDEX suppliers to share information about their business with their customers by answering a comprehensive list of questions tailored to different types of businesses. The questions are based on the four pillars of the SMETA audit methodology (SEDEX Members Ethical Trade Audit) regarding working conditions, employee health and safety, environmental impacts and business ethics.

In 2020/2021, the use of SEDEX information made it possible to measure the two new indicators for the first time: 82% for the first (AR1) and 49% for the second.

The positive actions carried out by the purchasing team in 2020/2021 made it possible to maintain good control of strategic suppliers that are SEDEX members in a context of expansion of the supplier base with a coverage rate (AR1) of 78% (versus 82% last year).

The percentage of suppliers who are members and who have completed all the information (AR2) was 82%, up sharply compared to last year (49%).

The Group’s objective is to reach 100% on both indicators by 2025.

The use of SEDEX data makes it possible to identify more precisely the potential CSR risks at the Group’s suppliers. Suppliers whose risk level appears to be high and who do not seem to have a solid management and control system are closely monitored by the purchasing team: an alert is raised to the supplier, a detailed analysis is made of their feedback and areas for improvement are suggested. Currently, less than 1% of suppliers who are members of SEDEX present a high risk.

A second level of control is provided by the CSR audits required in geographical areas considered to be at risk. In these situations, Rémy Cointreau requires its suppliers to have undergone a CSR audit (preferably “SMETA 4 pillars”) within the last three years. Either the audit already exists on the platform, or it is triggered by Rémy Cointreau or by the suppliers themselves, via external organisations.

In 2021/2022, CSR audits were carried out on around 30 sites relating to suppliers of packaging items, advertising items and agricultural raw materials. The classification of non-compliance proposed by SEDEX (minor, major, critical, business critical), showed that none of the factories audited were subject to

“Business Critical” non-compliance (forced labour, slavery, audit refusal, etc.). The Group conducts regular reviews with its suppliers to encourage them to close ongoing non-compliance issues in a spirit of continuous improvement.

In 2022/2023, the Group wants to extend SEDEX’s scope of coverage by also including strategic indirect purchasing suppliers. A working group was set up to achieve this objective.

Collaborative work on reducing the carbon footprint

In 2021/2022, the Group strengthened its collaboration with some of its glass suppliers on the subject of the carbon footprint, in particular those committed to the Science Based Target initiative. Thus, a spirit of collaboration and co-development has been established through concrete projects: reduction of the weight of bottles for Telmont Champagne, participation of a glass partner in the CSR day at the Angers site (House of Cointreau), communication of specific emission factors (calculated by suppliers and validated by the Group’s audit bodies).

1.3.2.7 TERRITORIAL IMPACT (SDG 8)

Challenge

Supporting local communities and acting as a responsible stakeholder is a key issue for the Group. In line with its worldwide activity, Rémy Cointreau is mindful of its societal impact in relation to the sustainable economic development of the areas in which it operates. The Group thus contributes to local community development by helping to create value in the regions in which it is based.

It is also a question of the Company’s reputation and appeal, whether with customers or future employees.

Policy

In order to meet the challenges related to its societal impact, Rémy Cointreau supports sustainable local economic development and community initiatives. The Group’s aim is to be involved alongside the actors in its *terroirs* and local communities.

Rémy Cointreau thus provides its expertise on numerous topics and promotes the merits of corporate social responsibility. As a member of the committee of CSR Experts of the Colbert Committee, which defends the values of French luxury goods, Rémy Cointreau contributes to the sharing of best CSR practices.

Worldwide, Rémy Cointreau’s employees are also joining forces to serve the public and connect with local communities. Through its actions, its direct and indirect impacts and the enthusiasm of its employees, the Group is spearheading initiatives to foster a climate of mutual assistance and interaction in the regions where it operates. **By 2025, the Group has set a target for each of its sites to carry out at least one territorial action (86% in 2021/2022).**

Action plans

For several years, the Group and its sites have been involved with schools, universities and organisations dedicated to economic development. Its commitment is also reflected in its support for regional associations that work to promote sustainable development.

Supporting local communities and acting as a responsible stakeholder

True to Rémy Cointreau's values, various solidarity initiatives provide inspiration to employees and in recent years, they have played a full role in the Group's societal commitments. The support given to the Group's communities in the form of sponsorship or direct and indirect actions amounted to: €1.2 million in 2021/2022.

UNITED STATES: CONTINUED SUPPORT FOR THE INDEPENDENT RESTAURANT COALITION

In the United States, after a donation of US\$200,000 made in early 2020 by the Cointreau brand to the US Bartenders' Guild National Charity Foundation (a foundation whose purpose is to provide financial support to bartenders whose businesses were closed due to the Covid-19 pandemic), the Cointreau brand continued its action with a communication campaign at the 2021 Super Bowl. In 2022, the Group renewed its support for the Independent Restaurant Coalition (IRC), through a The Botanist advert "Spirit of Community" on the occasion of the Super Bowl 2022.

IN COGNAC, THE HOUSE OF RÉMY MARTIN IS A DRIVING FORCE FOR THE DEVELOPMENT OF LOCAL TOURISM AND SOCIAL INCLUSION

As an economic player in the region, the House of Rémy Martin contributes to the socio-cultural influence of the Charente region. This is reflected in actions to raise awareness of the *terroir* and the development of regional attractiveness.

A recognised pioneering role in wine tourism: the House of Rémy Martin was chosen to be a partner in the government call for projects, dedicated to know-how tourism. Alongside the Monnaie de Paris and EDF, it is working to create a national action plan. The objective: to promote the excellence of companies' know-how to raise France to the rank of European leader.

Acting as a responsible player for the integration of young graduates from disadvantaged backgrounds: this initiative is the result of the partnership initiated in 2014 with the association *Nos Quartiers ont du Talent* (our neighbourhoods have talent). Employees support young people who are losing confidence and are concerned about their future, providing them with advice for their recruitment interviews and for building their professional network. Since 2014, this system has contributed to the hiring of 52 young people in permanent or fixed-term contracts.

Partner of the Second Chance Foundation: for fifteen years, Rémy Martin has been involved with the Second Chance Foundation which aims to help and support people recovering from life accidents.

BARBADOS: A PARTNERSHIP WITH 4OCEAN

In Barbados, Mount Gay is one of the main economic stakeholders on the island and is fully aware of its role and responsibilities. The Group encourages and supports its employees' involvement in community plastic waste collection initiatives, implementing selective waste collection and waste transformation activities, training in best practices, promoting the responsible consumption of alcohol at major festive events, and helping disadvantaged families in order to provide them with decent housing.

Mount Gay has a deep connection to the ocean that spans its 300-year history. Thus, in June 2021, the House announced its partnership with 4Ocean, Mount Gay has committed to donating \$5

for each bottle and \$1 for each drink sold (up to \$100,000) during "World Ocean Month". The amount donated funded the removal of tens of thousands of tonnes of plastic from the ocean thanks to 4Ocean's Pound+ programme.

To support the oceans and their contribution to Barbados and the Barbadian people, two beach clean-ups were also organised, with the support of the staff and their families. The first took place in August 2021 at Brandons Beach, St. Michael and the second at Six Mens, St. Peter in March 2022. Most of the waste collected was plastics and plant-based materials.

An internal recycling campaign was also launched so that all Mount Gay staff can sort their household waste on the Distillery site. This programme was carried out in collaboration with the local recycling company, B's recycling, and focused on the collection of plastics, clear glass and coloured glass. The recycling campaign was conducted alongside an education programme to create awareness and encourage behavioural change.

Lastly, Mount Gay participates in the local producers' market to sell the products grown on the distillery's land at a reduced price: root vegetables, tubers, cucurbits, legumes and other food crops were offered to Mount Gay employees and to people in the neighbouring villages of Oxford and Mount Gay.

ISLAY: A STRONG COMMITMENT RECOGNISED BY B-CORP

On the Isle of Islay, Bruichladdich is the largest local employer. It is, therefore, naturally very involved in the life of the local community, a deep and sincere commitment recognised by B-Corp since 2020. In 2021/2022, it funded the design and construction phase of a local cycling and pedestrian path, the Loch Indaal Way. This road runs for two miles between Bruichladdich and Port Charlotte.

Getting involved with schools and universities

In Angers, after several years of supporting our employees in their greatest successes, old Rémy Cointreau computers were sent to the students of the La Marelle school in the Angers region for the end-of-year celebrations in 2021. This is a way for Rémy Cointreau to give a second life to our computers and to enable students to access computers and study in a more fun way.

Similarly, our Islay site supports local schools with donations and hosting young people on school visits to promote harvesting, sustainable development and knowledge of the distillation industry.

Finally, in Barbados, Mount Gay has further strengthened its links with local schools – the Samuel Jackman Prescod Institute of Technology (ITSJP) and Barbados Community College – by offering internships and professional training, as well as scholarships for students from the University of the Antilles.

In addition, the distillery made part of its estate available for research projects and transformed another into an agricultural school, enabling 10 ITSJP students to benefit from courses in "Tree Crop Production" and "Root Crop Husbandry".

Lastly, Rémy Cointreau is keen to promote a positive corporate responsibility culture in training syllabuses. In France, it continued to give presentations to students graduating from France's *Grandes Écoles*, such as the Nantes-Atlantic National College of Veterinary Medicine, Food Science and Engineering (ONIRIS Nantes), and the ESSCA School of Management in Angers. The presentations showcased the Group's CSR strategy and initiatives.

Stimulating the local economy by doing business with local partners

In Damery, the House of Telmont has implemented a purchasing policy whose objective is to prioritise purchases and partnerships within the Champagne economy by favouring local suppliers and service providers. All suppliers of bottles and the main dry materials are located within a maximum radius of 30km of the Damery estate. In total, more than 80% of Telmont's suppliers are located in Champagne.

Similarly, for the recent construction of its new buildings (distillery and shop), Domaine des Hautes Glaces has chosen to work with local contractors and materials from close to the site (timber with the *Bois des Alpes* label, concrete sand from the Saint-Jean-d'Hérans quarry).

Enhancing the local landscape

In Barbados, 110 fruit trees were donated to the Rotaract project (carried by the Rotary association) in 2021/2022, which made it possible to plant trees in several primary schools on the island.

In Damery, in Champagne, the House of Telmont contributed to a participatory project in the city of Epemay – the planting of a micro-forest within the city in 2021/2022.

The Rémy Cointreau Foundation

Also actively involved with local communities, the Rémy Cointreau Foundation is continuing its actions to support initiatives of general interest to promote and transfer exemplary skills and know-how. Through its four areas of commitment, namely the transmission for the long term, the promotion of exemplary skills and know-how, influence and skills sponsorship, it currently supports 30 craftsmen.

This year, our Foundation supported new know-how, such as a regional cabinetmaker, a carpenter, a gold embroiderer, a stuc and staff plasterer, an engraver, a straw inlayer, a leather worker and a mosaic creator. The Foundation's support continues to be reflected in investments in craftsmen's tools and equipment.

The Foundation is also involved in various missions with ten partners focused on exemplary craftsmanship expertise, such as:

- INMA (*Institution Nationale des Métiers d'Art*), in the creation and development of the 20th edition of the *Avenir Métiers d'Art* award;
- the *Bureau du Design, de la Mode et des Métiers d'Art*, as sponsor of the *Grands Prix de la Création* of the City of Paris and the *Savoir-faire en transmission* award;
- the association of *Ateliers des Maîtres d'Art* and their students, in supporting initiatives of general interest aiming to promote the excellence know-how and its transmission and thus, in the development of the professions of the Masters of Art and their students;
- Schuch Productions, in the production of a documentary on the organ and organ builders broadcast on ARTE in May 2022.

1.3.3 COMMITTING THROUGH TIME:
 BECAUSE THE PLANET CANNOT
 WAIT, WE ARE ALREADY
 CONTRIBUTING TO THE GROUP'S
 CARBON NEUTRALITY, WHILE
 INVESTING TO REDUCE
 OUR ENVIRONMENTAL FOOTPRINT

1.3.3.1 CLIMATE CHANGE (SDG 13)

Challenge

We are the last generation that can reverse the inevitable climate change of our planet. Rémy Cointreau is fully aware of this and this is why the fight against climate change is a major focus of the Sustainable Exception plan. The Group aims to significantly reduce its carbon footprint across its entire value chain, in order to contribute to the global effort to limit global warming (+1.5 °C for its scopes 1 & 2 and well below +2 °C for its scope 3). It is a question of the Company's sustainability, its reputation with its customers, and even has political and regulatory repercussions.

More specifically, the main climate-related risks for the Group could be:

- the variability of climatic phenomena (drought, frost, hail, thunderstorms) and its impact on the level of production, quality and price of agricultural raw materials;
- possible changes in energy and GHG emissions regulations;
- growing consumer preference for products with a low environmental footprint.

Policy

Group's commitment to Science Based Target

The Group has been involved in the fight against global warming for many years. It has been measuring its carbon emissions since 2006 on its scopes 1 and 2 (Bilan Carbone® framework), on its entire value chain (scopes 1, 2 and 3) since 2016/2017 and on the basis of the GHG Protocol framework since 2018/2019. As of 2015, Rémy Cointreau has included the objectives defined by COP21 (agreement setting the limit on the temperature increase at less than 2 °C, or even 1.5 °C, by 2100) in its 2020 CSR plan, by measuring and setting targets for reducing greenhouse gas emissions at all levels of activity.

Thus, thanks to its energy saving actions and a low-carbon strategy in all aspects of its activity, Rémy Cointreau manages its carbon footprint: during the 2021/2022 financial year, the Group emitted 0.4kg⁽¹⁾ CO₂ for each euro of current operating profit generated, compared to 4 to 5kg, on average, for the global beverage and agri-food sector. The Group, therefore, combines high profitability and low carbon footprint. However, it wanted to further strengthen its participation in global efforts to combat climate change and to achieve global carbon neutrality.

(1) Total Group carbon footprint – scopes 1, 2 and 3 – divided by Current Operating Profit.

On the occasion of COP26 in November 2021, Rémy Cointreau launched the “A Planet of Exception” project, which is based on a dual commitment: on the one hand, its official membership of Science Based Targets, which commits it to reducing its carbon footprint in line with the Paris climate agreements. And on the other hand, the commitment of an annual contribution to climate actions in its main markets, to offset its annual residual emissions.

The Group has, therefore, officially committed to the Science Based Target initiative (trajectories under validation) with the following commitments (reference year: 2020/2021):

- by 2030: 42% (absolute) reduction in scopes 1 and 2 GHG emissions. This reduction is aligned with the “+1.5 °C” scenario;

- by 2030: 25% (absolute) reduction in scope 3 emissions from purchases of agricultural raw materials, packaging and transport (representing over 2/3 of scope 3 emissions). This reduction is aligned with the “well below +2.0 °C” scenario;
- the combination of these two objectives corresponds to a target of reducing the Group’s entire carbon footprint by 50% (scopes 1, 2 and 3), in intensity, by 2030;
- by 2050: “net zero carbon” for the Group’s entire carbon footprint (scopes 1, 2 and 3), *i.e.* a reduction of 90% in absolute terms.

Reduction trajectories currently being validated by the SBT	2030/2031 targets
CO ₂ emissions reduction rate – Scopes 1 & 2, in absolute terms, in % (+1.5 °C scenario)	42
CO ₂ emissions reduction rate – over 2/3 of Scope 3, in absolute terms, in % (WB2 °C scenario)	25
CO ₂ emissions reduction rate – Scopes 1, 2 & 3, in intensity, in %	50

Note: as the reference year was postponed to 2020/2021, the reduction targets have changed very slightly compared to those initially set in the 2025 plan.

With these objectives, the Group is fully involved in the National Low Carbon Strategy (SNBC) and the Climate Plan that France has set itself to achieve carbon neutrality in 2050. On that basis, the Group reiterated its commitment to the “French Business Climate Pledge” in 2019 for the 2020/2023 period.

It should also be noted that, for the second consecutive year, the Group obtained an “A-” rating from the CDP (Carbon Disclosure Project), which gives it Leadership status. This demonstrates the Group’s concrete commitments and initiatives to reduce its carbon footprint.

Application of the European Taxonomy to the Rémy Cointreau Group’s activities

Pursuant to European regulation 2020/852 of 18 June 2020 (known as the “Taxonomy” regulation), Rémy Cointreau is required to publish performance indicators for the 2021/2022 financial year highlighting the eligible portion of its sales, investments and operating expenses resulting from products and/or services associated with economic activities considered sustainable within the meaning of this regulation and its delegated acts, and covering the first two objectives of the Change Mitigation Taxonomy (climate change and adaptation to climate change).

This first assessment of the eligibility of all the Group’s consolidated activities was carried out on the basis of:

- the Climate Delegated regulation of 4 June 2021 and its annexes supplementing regulation (EU) 2020/852 by specifying the technical criteria for determining under which conditions an economic activity can be considered as contributing substantially to the mitigation of climate change or adaptation to it;
- a detailed analysis of all activities within its various consolidated entities, carried out jointly by the Finance department, the Operations department and the CSR department.

At the end of this assessment, no eligible sales were identified for this first year for the objectives of mitigation and adaptation to climate change, as the activities defined for these objectives do not cover the Group’s activities. Due to the absence of eligible sales, investments and operating expenses related to activities contributing to revenue could not be classified as eligible.

Nevertheless, as Rémy Cointreau is taking actions to mitigate its carbon emissions and making investments to decarbonise its activities and the Group has deepened its analysis by focusing on the CapEx related to this type of investment.

The eligible investments identified correspond mainly to long-term building leases (activity 7.7 of the delegated act) as defined by IFRS 16 but without analysis of the technical criteria (in accordance with the position of the Compagnie Nationale des Commissaires aux Comptes) as well as expenditure on construction (activity 7.1), building renovation (activity 7.2) as well as those aimed at improving energy efficiency and mitigating greenhouse gas emissions (activity 7.3). Lastly, they include the installation of solar panels at the Barbados site (activity 4.1).

Eligible investments are estimated at €19.8 million. (including €8.7 million relating to long-term building leases without analysis of the technical criteria) out of a total of €60.9 million (32.5%).

In addition, the analysis of OpEx led to consider the amount analysed as not significant with regard to the Group’s materiality thresholds, the amount of OpEx in the Taxonomy sense representing less than 5% of total Group OpEx. This observation, combined with the fact that the Group’s activities are not eligible to date, leads the Group to use the exemption provided for not calculating in more detail the OpEx Taxonomy KPI.

Large-scale climate actions to offset the Group's residual emissions

Alongside its commitment to the Science Based Target initiative, Rémy Cointreau announced the financing of certified projects proposed by its partner, South Pole, in the fields of renewable energy, sustainable management and forest restoration in its two largest markets, the United States and China. These actions also support initiatives to protect the territories (such as water preservation) and the communities that are the most vulnerable to climate change (actions to promote diversity and transmission), in line with the Group's values.

In southern China, the Group is contributing to a reforestation project in the Karst region (a UNESCO World Heritage Site) that is impacted by desertification, with the planting of 33,000 hectares of native species. The local community (around 30,000 people) is also trained to plant and maintain these trees.

In the United States, the Group is involved in sustainable forest management projects in Washington State (where the Westland distillery is located) and in the southern Appalachians. The Group also contributes to the energy efficiency programme of the University of Illinois Urbana-Champaign (UIUC), with the help of students and teachers. As part of this project, the UIUC won the Second Nature climate leadership award.

The scale of these avoidance or sequestration actions (more than 600,000 Teq CO₂) thus makes it possible to contribute to the Group's carbon neutrality from 2021/2022 and for approximately four years, based on the growth forecasts of its 2030 plan, its actions to reduce CO₂ and the current methodology for calculating its carbon footprint.

Overview of the Group's carbon footprint and its main categories

During the 2021/2022 financial year, the Rémy Cointreau Group's overall carbon footprint (scopes 1, 2 and 3) amounted to 148,483 Teq CO₂. Its 23% increase compared to 2020/2021 is explained by a perimeter effect (integration of Metaxa, Telmont and Brillet in the carbon footprint for which the cumulative impact amounts to 20,015 Teq CO₂) and by the strong growth in volumes produced by the Group (+17%), whilst the reduction actions reduced the footprint by around 13,000 Teq CO₂. Thus, in terms of intensity, the footprint per bottle is down significantly (-8.5%), in line with its 2030 reduction trajectory.

CO₂ emissions from scopes 1 and 2 now represent 5% of the global footprint, while scope 3 contributes 95%:

- CO₂ emissions under scopes 1 and 2 are down by 13% at 7,138 Teq CO₂ (scope 1: 6,120 Teq CO₂/scope 2: 1,019 Teq CO₂ – GRI Standard 305-1 and 305-2 indicators) and 18% excluding the perimeter effect. Scope 1 was down by 19% thanks to the switch to biogas at our Cognac and Angers sites as well as the use of lower-emitting fossil fuels at Islay and Barbados. Conversely, scope 2 (+66%) was up significantly, due to the perimeter effect (mainly Metaxa). Excluding the scope effect, CO₂ emissions under scope 2 would have been stable compared to last year;
- CO₂ emissions under scope 3 were up by 25%, but would have been up by only 9% excluding the scope effect, despite the strong growth in product volumes.

1

GENERAL PRESENTATION OF THE GROUP'S CARBON FOOTPRINT (GRI STANDARD 305-1, 305-2 AND 305-3 INDICATORS)

	Unit	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2020/2021 Pro-Forma	2021/2022
Direct emissions (scope 1)		6,609	8,815	7,081	10,252	7,376	7,581	7,700	6,120
Indirect emissions (scope 2)		1,598	1,911	2,060	1,081	878	612	1,028	1,019
Direct and indirect emissions (scopes 1 & 2)	Teq CO ₂	8,207	10,726	9,141	11,333	8,254	8,193	8,728	7,138
All other indirect emissions (scope 3)		-	135,063	126,387	163,509	172,195	112,996	129,960	141,345
Group carbon footprint (scopes 1, 2 & 3)		-	145,789	135,528	174,842	180,449	121,189	138,688	148,483
Carbon emissions intensity (scopes 1, 2 & 3)	Teq CO ₂ /bottle	-	-	-	2.7	3.1	2.1	2.0	1.9

2015/2016: integration of the Barbados site distillery.

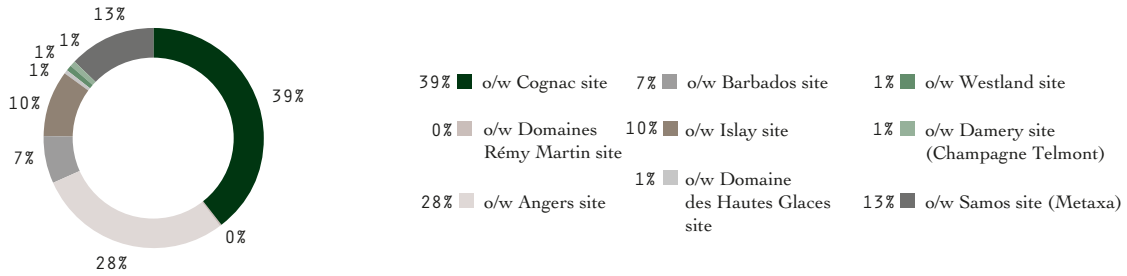
2017/2018: integration of Westland and Domaine des Hautes Glaces.

2018/2019: migration to GHG Protocol standards.

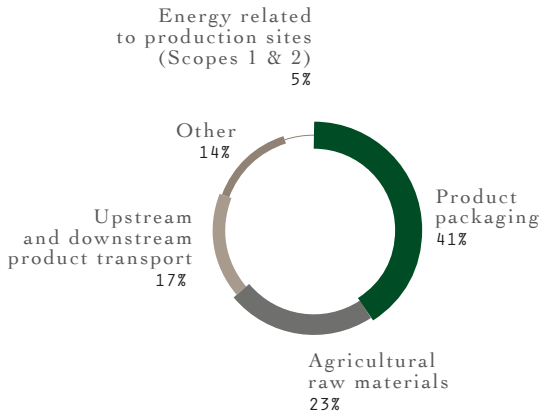
2020/2021 pro forma: includes Metaxa, Telmont and Brillet.

2021/2022: now includes Metaxa, as well as Telmont and Brillet (companies acquired during the 2020/2021 financial year).

Group carbon footprint (scopes 1, 2 & 3) by site (% of total)



Group carbon footprint (scopes 1, 2 & 3) by category (% of total)



A transformation that can only be collective

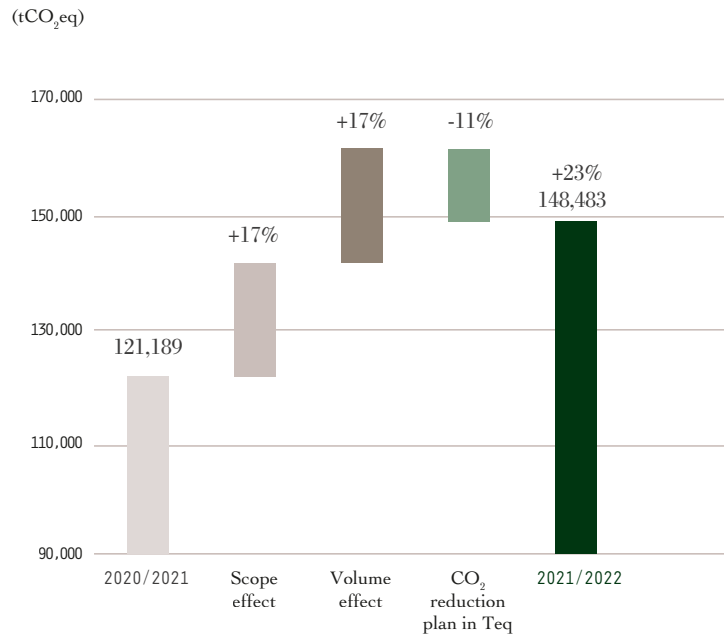
As Scope 3 represents 95% of the Group’s carbon footprint, the Group’s sustainable transformation can only be done collectively, in cooperation with its partners (such as its suppliers of agricultural raw materials, its glassmakers and its transporters). This is why the Group works alongside them to help them reduce their own footprint.

This can take the form, for example, of the financing of additional costs (which should have been borne by our partners) or by investing in Research & Development on behalf of the subsidised sector.

Action plans

The Group's commitment to the Science Based Target has already resulted in reduction actions amounting to 13,000 Teq CO₂ in 2021/2022, mainly driven by a reduction in the energy footprint and actions on packaging.

Evolution of the Group's Carbon footprint in 2021/2022



Developing an internal “carbon culture” to translate objectives into concrete actions

The Rémy Cointreau Group believes that implementing a climate transformation cannot be reduced to a single objective. This transformation must be embodied by all of the Company's employees, so that everyone carries it and carries it out in their mission, at all levels of the Company. Raising awareness and infusing a “carbon culture” within the Company is therefore a key element in the success of this transformation. The Group has therefore stepped up its educational actions during 2021/2022:

- implementation of a collaborative application “My CSR” offering educational courses on global warming, the notion of carbon footprint, renewable energies, the circular economy and simple ideas for civic actions;
- organisation of “CSR Meetings” (global webinars) on the climate transition and the role of the Company, on the Group's local reduction actions (best practices), as well as its climate actions in terms of carbon offsetting;
- presentation of the sites' carbon footprint assessments to the respective teams, allowing the identification of the main levers and opportunities for reduction;
- revision of the Group policy on business travel in December 2021: the “Travel” policy now includes “the best practices of an eco-responsible traveller”, in particular prohibiting travel (by train) for meetings of less than 4 hours and limiting international travel (by plane) to twice a year and per continent, per person. In addition, quarterly “CO₂” reporting of their business travel is sent to each employee

(GRI Standard 305-5) in order to raise awareness among the teams;

Equipping yourself with the right tools: measuring to manage

In order to be able to carry out its actions, measure and manage them, the Group has implemented several initiatives:

- a CO₂ management tool, listing all the reduction actions carried out by the Group (by type and by site) and quantifying their impact during the year of implementation;
- for the past two years, the Group has been carrying out a number of specific analyses (internally and with its external partners), aimed at measuring more precisely the CO₂ emission factors of some of its activities or its purchases. This exercise will eventually enable it to switch from generic emission factors to specific emission factors, for a better estimate of its carbon footprint;
- membership of Ecolnvent (an international NGO that collects data and thus provides an international and recognised database of carbon emission factors). A licence has been acquired and some employees were trained on this data base in order to better understand the emission factors selected, based on the types of materials used to make our packaging for example;
- the Group is in the process of developing, with SAP, a “carbon dashboard”, the objective of which is, in the long term, automated quarterly reporting on a very large portion of the Group's carbon emissions.

Acting on the four main levers for reducing the carbon footprint: packaging, energy, agricultural raw materials, and transport

MORE VIRTUOUS AND CIRCULAR PACKAGING

Packaging represents 41% of the Group's carbon footprint. It offers the main opportunity to reduce emissions. See section 1.3.3.2.

ENERGY CONSUMPTION: ENERGY EFFICIENCY AND RENEWABLE ENERGIES

Since 2006, the Group has been measuring its carbon emissions on its scopes 1 and 2 (Bilan Carbone® standards). It has therefore been aware of the need to optimise its energy efficiency to reduce its carbon footprint for more than 15 years. Its emissions related to scopes 1 and 2 are also under control, since they remained virtually stable over the period 2015/2016-2020/2021 and fell by 13% in 2021/2022 (-19% excluding the scope effect), thanks to the switch of the Cognac and Angers sites to biogas.

2030 roadmap and objectives

The Group's energy consumption strategy is twofold:

- roll out ongoing energy efficiency measures at all sites;
- gradually switch the energy used by the sites to renewable energies, the nature of which depends on the constraints and opportunities of the region where the sites are located.

2025 target: 100% of the electricity used by the Group's production sites must be renewable.

2030 target: 100% of the energy (direct and indirect) used in the Group's production sites must be renewable.

Main actions for 2021/2022

Energy efficiency

In 2021/2022, the Group's total energy consumption amounted to 43,511 MWh (GRI Standard 302-1), up 8.4%, the result of the very strong growth in volumes produced. This increase can be broken down into an increase of 7.2% in direct energy (fuel oil, gas, biogas, wood) and an 11.4% increase in indirect energy (electricity). Nevertheless, in terms of intensity (per case), energy consumption was down by 7.7% (GRI Standard 302-4) thanks to ongoing energy savings efforts at the Group's sites.

This energy efficiency is mainly driven by the Group's two main sites, Cognac and Angers, which benefited from an energy consumption reduction plan between 2015 and 2020. The main actions concerned optimising air compressor operation, replacing compressors, monitoring heating modes, managing lighting and renovating buildings. These actions enabled to reduce energy consumption by 600 MWh in four years. Although this plan is finished, energy efficiency actions continued in 2021/2022.

- In Cognac (production site and Domaines Rémy Martin), energy consumption fell by 2% in 2021/2022, despite the strong increase in volumes produced, thanks to the shutdown of the main boiler (which will be replaced in 2023 by two heat pumps) and by the switch to biogas since 1 April 2021.

- In Angers, the increase in energy consumption was limited to +7%, despite strong double-digit growth in volumes produced during the year. This optimisation is explained by the switch to biogas since 1 April 2021 for the entire distillery, as well as by the installation of heat pumps (roof top) for air conditioning, ventilation and heating of the workshop (replacing gas heating). As a direct consequence, electricity consumption is up by +26%. 100% of the electricity used in Angers is renewable.

At the Group's other sites, energy consumption increased in 2021/2022, driven by the growth in product volumes:

- +14% on the Islay site (despite the deployment of its LED lighting plan on 90% of the warehouses and the distillery and better insulation of the four whisky stills);
- +4% in Barbados, where the site opted for liquefied natural gas (LNG) to supply steam boilers, replacing heavier fossil fuels (fuel oil); it also continued to replace outdoor lighting with solar lighting for the two sites in St. Lucy and Brandons;
- +15% at Westland, after a 42% drop in energy consumption in 2020/2021, linked to Covid. The annual increase is also due to a one-off increase in energy consumption related to the moving of barrels to the Skagit site; as part of its EnviroStars certification, the site is nevertheless pursuing its objective of reducing its electricity consumption by 1% per year by 2025). The distillery will be fully equipped with LED lighting by the end of 2022/2023;
- +65% for Domaine des Hautes Glaces (negative Covid effect in 2020/2021), despite the integration of an energy recovery and saving system in the design of the new distillery. In 2022/2023, a study of the site's energy consumption will be carried out.
- This year's figures now include the Damary (Telmont champagne) site, whose building was fully renovated in 2021/2022. To reduce its impact, the building now benefits from better insulation and lower structural consumption of electricity and refrigerant gas. For this, the formerly bare walls were insulated with an Optima-type double insulation, the windows formerly single-glazed, are now double-glazed and the roof is now equipped with rock wool insulation. All street lights have been changed and replaced with LED lighting and the air conditioning system has also been optimised.

44% of the energy used in the Group's sites is now renewable

For several years, the Group has been conducting studies to assess the potential for integrating renewable energies into its distilleries and production sites.

2021/2022 was a year of strong acceleration since 44% of the Group's energy consumption is now from renewable sources, compared to 26% in 2020/2021:

- 26% of direct energy is thus renewable (compared to 2% in 2020/2021) and;
- 87% of indirect energy (electricity) is renewable compared to 86% in 2020/2021.

The sharp increase in direct renewable energies is due to the switchover of the Cognac and Angers sites to biogas since 1 April 2021. This biogas is of agricultural origin and mainly comes from sites in Pays de la Loire (for Angers) and Nouvelle Aquitaine (for Cognac).

Other projects are being studied and implemented to enable the Group to reach its target of 100% renewable energy by 2030.

Cognac: nearly 100% of energy used from renewable sources; sustainable steam distillation experiment

As mentioned above, the Cognac production site and Domaines Rémy Martin switched from gas to biogas in Nouvelle Aquitaine on 1 April 2021, making it possible to reduce CO₂ emissions related to the use of this heat energy (mainly distillation) by more than 80%.

This action complements the supply of renewable electricity (energy from hydroelectric production) at all its sites since 2016. All of the energy consumed on the Cognac sites, therefore, comes from renewable sources.

However, the House of Rémy Martin is continuing its experiments in an attempt to completely decarbonise its distillation process. Thus, for the past two years, the House has been funding a “Sustainable Distillation” experiment as part of a call for projects initiated by the BNIC (*Bureau inter-professionnel du Cognac*). In a constant effort to support the sector, this experiment consists of using a new steam distillation heating process to verify the good quality of the *eaux-de-vie* obtained and to measure the reduction in greenhouse gas emissions.

Angers: 100% of energy used from renewable sources

Like the Cognac site, the Angers site is now sourced from renewable sources: biogas for direct energy (mainly distillation) and green electricity (indirect energy) since 2016 (hydraulic).

Islay: the distillery tests hydrogen as a heat source for distillation

At the Bruichladdich distillery and its partner Protium are assessing the technical and commercial viability of a technology that burns hydrogen with hydrogen with oxygen to heat distillation boilers, with total elimination of atmospheric pollutants and GHG emissions. “Green” hydrogen would thus be manufactured by extracting it from water molecules, using electricity from renewable energies. Since 2020/2021, the Islay site has been using electricity from renewable sources, certified by the United Kingdom.

Barbados considers solar as a renewable energy source

At the Barbados site, the production of renewable energy from solar panels is growing with 359 MWh produced in 2021/2022 (295 MWh in 2020/2021 and 100 MWh in 2019/2020). These solar panels are connected to the Barbados national power grid and offset 23% of the site’s total electricity consumption (15% last year). In 2022/2023, new solar panels will be installed with a production target of 500 MWh by 2025, *i.e.* nearly a third of Mount Gay’s total electricity consumption.

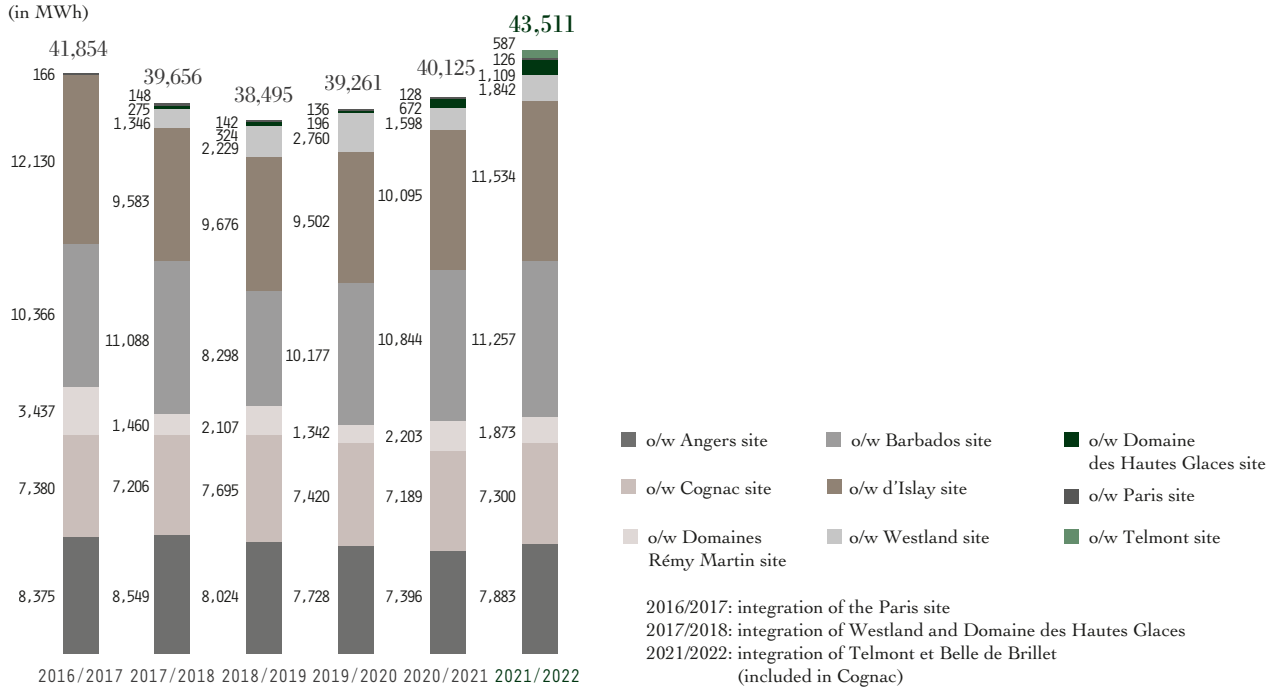
Domaine des Hautes Glaces: 100% of energy used from renewable sources

Since 2020/2021, 100% of the energy consumed by the Domaine des Hautes Glaces has come from renewable sources: the power supply for the stills boilers (direct energy) comes from wood from sustainably managed forests and electricity (indirect energy) is of renewable (hydraulic) origin.

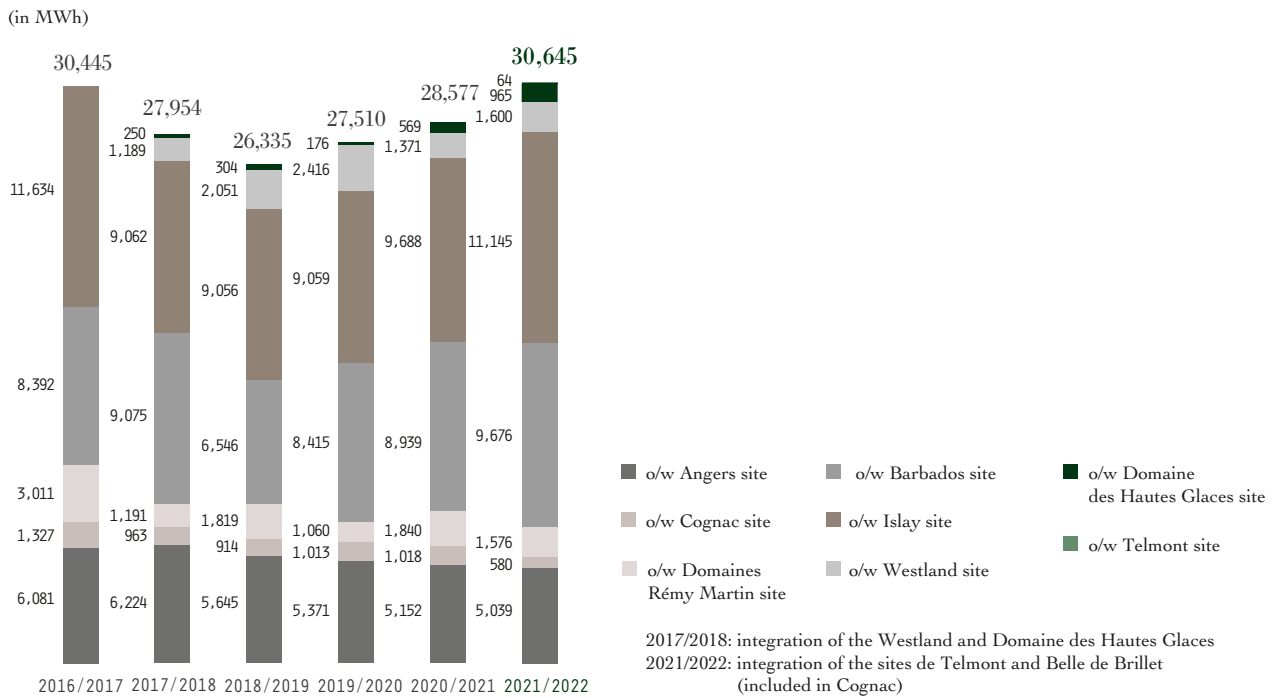
Telmont: 89% green energy

Telmont has carried out several actions to develop its renewable energy supply, which now amounts to 89% of its energy consumption (of which 100% of green electricity since April 2021).

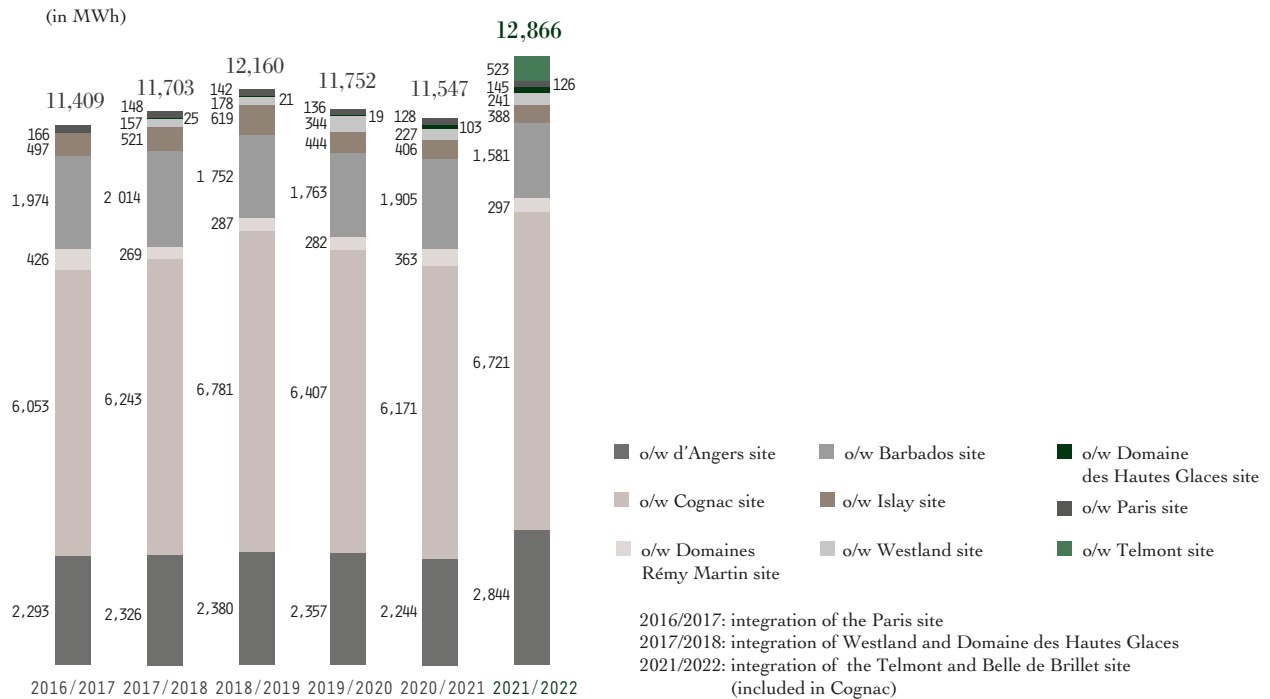
Total energy consumption (GRI Standard 302-1)



Direct energy consumption (gas, biogas, fuel oil, diesel, wood) (GRI Standard 302-1)



Indirect energy consumption (electricity) (GRI Standard 302-1)



MORE RESPONSIBLE AND SUSTAINABLE AGRICULTURAL RAW MATERIALS

Total CO₂ emissions under scope 3 related to the purchase of agricultural raw materials reached 34,375 Teq CO₂ i.e. 23% of the Group's carbon footprint. Rémy Cointreau's objective is to support its agricultural suppliers in their sustainable transformation, in order to reduce their environmental impact. The emission factors used to measure the carbon footprint of these agricultural materials will thus automatically benefit.

2030 roadmap and objectives

- Instilling a carbon culture in the Group's farming and winegrowing partners.
- Promoting a low-carbon strategy with our distiller partners.
- Gradually decarbonising the energy used for agricultural equipment.
- Encouraging the Houses to source supplies from certified farmers or winegrowers, who thus control their consumption of synthetic inputs (that emit CO₂).

Main actions in 2021/2022

- **Carbon culture:** on the occasion of the "Technical viticulture days" organised by the House of Rémy Martin in April 2022, a "Carbon footprint" workshop was included to raise awareness and educate the House's wine partners about the various sources of emissions. In addition, a life cycle analysis was carried out in 2021/2022 on four *eaux-de-vie* suppliers of the House of Rémy Martin, in order to have a more detailed analysis of the carbon footprint of its winegrowing partners.
- **Promoting a low-carbon strategy with our distiller partners:** the House of Rémy Martin proposed to a group of partner distillers (Alliance Fine Champagne) to switch to biogas or biopropane as a heat source for the distillation of their *eaux-de-vie*, and to cover the associated additional costs. This first phase should take place in 2022/2023.
- **Gradually decarbonising the energy used for agricultural equipment:** Domaines Rémy Martin is testing a biofuel based on recycled cooking oil (XTL) for its agricultural equipment, before sharing its experience with its partners in the Alliance Fine Champagne, and also with other Houses of the Rémy Cointreau Group.
- **Encouraging Houses to source from certified farmers or winegrowers:** as described in section 1.3.1.2, 78% of the agricultural materials purchased by the Group now come from agricultural areas committed to responsible and sustainable certification (64% in 2020/2021), encouraging reduced use of fossil based fertilisers.

TRANSPORT COMMITTED TO A LOW-CARBON STRATEGY

Transport management already highly optimised

Total CO₂ emissions under scope 3 related to the upstream and downstream transport of products reached 25,132 Teq CO₂ (GRI Standard 305-3), i.e. 17% of the Group's carbon footprint.

This value includes:

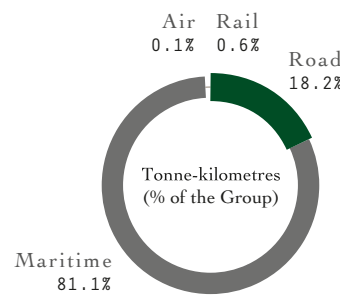
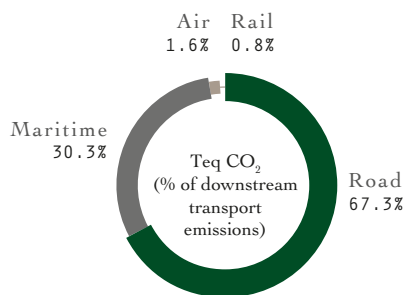
- upstream transport (5% of the Group's carbon emissions) of agricultural raw materials or *eaux-de-vie* to our production sites;
- downstream transport (12% of the Group's carbon emissions) of bottles and their packaging to our consumer markets:
 - in France, between production sites and logistics platforms,
 - between logistics platforms and the first shipping ports or airports,

- maritime and air transport between the first shipping ports or airports and the arrival ports or airports worldwide,
- product transportation in shipping countries.

As transport is a significant lever for reducing the Group's footprint, many actions have already been implemented in recent years.

The optimisation of upstream transport has thus resulted in a permanent search for local supplies of raw materials, whether agricultural or not.

As for downstream transport, the Group has favoured low-carbon options: maritime transport accounts for 81% of the "tonne-kilometres" travelled by the Group's products (and only 30% of the carbon emissions of downstream transport). Conversely, air freight represented only 0.1% of the "tonne-kilometres" (1.6% of the emissions) and road transport 18% (but 67% of the emissions)..



2030 roadmap and objectives

Efforts to optimise upstream and downstream transport must fully contribute to the objective of reducing the Group's carbon footprint by 50% per bottle by 2030. In order to achieve this objective, Rémy Cointreau has made a commitment to Fret 21, which supports companies in integrating the impact of transport into their sustainable development strategy.

The levers identified and being implemented by the Supply Chain team are as follows:

- the TK Blue tool was deployed to all Group carriers achieving its 2025 target: from 2021/2022 (commitment 4 - act4nature international). Initiated in 2020, the deployment of this tool, which covers all of the Group's logistics activities (transport between shipping platforms, deliveries to subsidiaries and customers), makes it possible to reliably and comprehensively measure the global carbon emissions associated with product transportation;
- encourage "Zero air freight" policy for goods;
- optimisation of flows to favour low-carbon options (maritime, rail and green road transport);
- gradual replacement of pallets with slipsheets;
- contributing to the financing of the low-carbon transport of tomorrow.

Main actions in 2021/2022

- Encourage a "zero aircraft" policy for goods. While air freight was already little used within the Group (0.1% of the tonne-kilometres travelled by our products at the end of March 2022), this commitment enabled a further reduction of -42% in its use (in tonnes of kilometres travelled) in 2021/2022.

Optimisation of flows to favour low-carbon transport:

- ramp-up of rail transport in China: in 2020/2021, the Group replaced truck transport by rail for deliveries from the port of Shanghai to the Group's warehouses in southern China. This optimisation enabled an almost 50% reduction in CO₂ emissions related to this journey in 2021/2022;
- new Cognac - Le Havre road: in March 2022, the Group launched a test on the shipping of 17 containers, aimed at reducing road transport and increasing rail transport between the Cognac site and the port of Le Havre for products destined for China and the USA. From now on, the containers are loaded on biodiesel-powered trucks for a short Cognac-Bordeaux journey, before being transferred to freight trains for the Bordeaux - Port of Le Havre journey (from where they will be shipped by sea cargo to their port of destination). Following this successful test, the operational implementation of this new road is scheduled for 2022/2023.
- Gradual replacement of pallets by "slipsheets": completion of a study on the implementation of "slipsheets" (cardboard plates which are thinner and lighter weight enabling volume and weight gains) with a view to implementation from 2022/2023.
- Contributing to the financing of the low-carbon transport of tomorrow: in September 2021, Rémy Cointreau signed an agreement with NEOLINE, a specialist in wind-powered maritime transport. The Group is thus helping to finance a hybrid cargo ship that will reduce the environmental footprint of transatlantic transport by up to 90% thanks to clean and renewable wind energy. 200 containers per year, i.e. 250,000 bottles, will be transported from France to the United States by sail freighter thanks to the first vessel, which is expected to come into service in the second half of 2024.

- Monthly management of actions and continued standardisation in the reporting of information from service providers.

1.3.3.2 CIRCULAR ECONOMY AND REDUCTION OF RAW MATERIAL CONSUMPTION (SDG 12)

Challenge

Rémy Cointreau must contribute to the global effort by reducing its environmental footprint in a context of resource depletion.

The Group's main challenge is therefore to reduce its consumption of raw materials, particularly those related to packaging of its products, which is its main source of carbon emissions, and for which the cost increases in the future are a probable risk. In addition to reduction, the Group is working on the emergence of new consumption patterns, promoting reuse, a more circular model of consumption of its products. Lastly, the introduction of circular economy initiatives based on waste reduction and recovery is also a priority issue for the Group.

Policy

ECO-DESIGN OF PRODUCTS

As mentioned above, packaging is a major lever for reducing the Group's environmental footprint (41% of carbon emissions). Thus, eco-design is the subject of a charter, measurement tools and detailed objectives, in order to guide the teams from the design of products, their packaging and promotional items until the end of their life cycle.

2030 roadmap and objectives

Rémy Cointreau's Product Development/Eco-design teams have defined a roadmap for 2030 with the objective of reducing the carbon footprint (and by extension the environmental footprint) of products and their packaging by 50% per bottle by 2030, in line with the Group's reduction objectives. This roadmap is broken down into two phases:

- 100% eco-designed products by 2025 (commitment 4 – act4nature international);
- the development, by 2030, of projects based on circular consumption methods and new materials.

In order to achieve this ambition, the teams have drafted an Eco-design Charter built around the three main principles (Reduce, Reuse and Recycle), guiding the teams from product design. They have also defined the following indicators and objectives:

For glass bottles:

- from 2022, all new projects must show a significant improvement in their Environmental Performance Index (EPI) compared to the existing reference range;
- by 2025, 100% of bottles must be recyclable or reusable.

For plastic bottles, by 2025:

- 100% of the bottles will be recycled and recyclable plastic.

For plastic promotional items, by 2025:

- single-use plastic will be banned;
- 100% of plastics used must be recycled and recyclable.

Finally, in order to be able to measure and manage the progress of these indicators, the Group has developed the following measurement tools:

The Environmental Performance Index (EPI)

In 2018, the Group developed an internal software package called the "EPI" or the Environmental Performance Index for packaging, which measures the environmental impacts of the packaging of the Group's products based on four main indicators: CO₂ emissions, water consumption, aquatic ecotoxicity and depletion of natural resources (GRI Standard 305-3 and 303-1 indicators). After initial deployment on the Cognac and Angers sites, this measurement tool was gradually extended to all of the Group's production sites. It is mainly used in the design of new products, in order to ensure a real improvement in its environmental footprint compared to the existing range.

Membership of the Ecoinvent database to assess CO₂ impacts

Since 2020/2021, the Group has joined the Ecoinvent database to help teams better measure the carbon footprint of new product development projects. This complements the joint work carried out with our suppliers, making it possible to use their specific emission factors.

Ongoing training for "Product Development/Eco-design" teams

In 2017, an eco-design training plan for the Purchasing, Marketing and Product Development teams was put in place (GRI Standard 404-1). The aim was to raise awareness on reducing the environmental impact of packaging by analysing and improving the product life cycle, in particular. Since then, regular training in eco-design has been provided to the Purchasing, Marketing and Product Development teams, with particular attention paid to new materials.

Solid waste

With regard to its waste treatment, the Group's policy is first and foremost to reduce its tonnage, for example by monitoring the amount of waste generated by packaging lines. The aim will then be to recycle all waste, giving priority to sorting and materials recovery. This ties in neatly with the concept of a circular economy. Energy from waste is a last resort for the final recovery of residual unsorted waste.

Action plans

Eco-design of products

EXECUTION OF THE ECO-DESIGN ROADMAP

During 2021/2022, the following actions were put in place to implement the "Eco-design roadmap" and achieve the above objectives:

- among the hundred or so "CSR champions" appointed across the Group to lead, execute and implement the Group's CSR strategy, one "eco-design champion" was selected to support the Group's sustainable transformation in terms of product development;

- an “Eco-design” Charter has been drawn up to guide the teams in the development of new products and “green calendars” have been drawn up by the various Group Houses in order to plan the evolution of their product portfolios in line with the Group’s CSR objectives;
- actions have been carried out around three main principles: “Reduce, Recycle and Reuse (3R)”:

- **Reduce** – two major actions were carried out across the Group to reduce the quantity of materials used:

- elimination of secondary packaging (Gift Box): 76% of the Group’s bottles are now sold without secondary packaging, compared to 74% in 2020/2021 and 21% in 2019/2020. This initiative was notably driven by the House of Rémy Martin (58% in 2021/2022 compared to 16% in 2019/2020) and by the House of Telmont, whose entire range is sold without secondary packaging,
- fundamental work to lighten the glass of the bottles has been initiated across the entire portfolio. Thus, the weight of the Mount Gay Eclipse 75cl bottle was reduced by 18 grams (an impact of 15 tonnes over the full year) and the relaunch of the Belle de Brillet bottle also made it possible to significantly reduce its glass weight. This weight reduction action makes it possible to meet the social and environmental challenges related to sand extraction at the global level, by reducing the use of this natural resource for the manufacture of bottles containing the Group’s products (GRI Standard 301-2), and also to reduce the carbon footprint associated with the manufacture and transport of bottles. It will be continued and accentuated in the coming years;

- **Recycle** – glass being infinitely recyclable, the development of the circularity of this material is beneficial in two ways: the increase in cullet (recycled glass) in the production of bottles makes it possible to reduce the quantities of raw materials (such as sand) used in the manufacture of glass, and also to reduce the amount of energy required to remake it.

In this context, the action of the House of Telmont was radical: it completely stopped the use of transparent bottles (containing no recycled glass) in favour of green bottles, 100% recyclable and made from 85% recycled glass, a very bold and unique initiative in the Champagne region.

Although these are plastic bottles (and not glass), the House of St-Rémy has switched its bottles sold in Scandinavia to RPET (recycled plastic), allowing the reduction of more than 100 tonnes of CO₂ per full year.

Finally, the teams are working on the recyclability of the bottles, both in terms of the materials used and their separability. (separation of the various bottle components to facilitate their recyclability),

- **Reuse** – the Group aims to develop several projects by 2030 based on circular consumption methods, promoting the circularity of the bottle. Thus, for example, the Mount Gay House is studying a project to “reuse” bottles consisting of their recovery, cleaning and refilling on the island of Barbados.

PARTNERSHIP WITH GLASS FUTURES: PREPARING FOR THE FUTURE AND HELPING TO DECARBONISE GLASS MANUFACTURING

In 2021/2022, Rémy Cointreau joined the Glass Futures consortium in a collaboration towards a more sustainable future. While Rémy Cointreau is already committed to the eco-design of its bottles in the most responsible way, by reducing their weight and increasing their recycled content, for example, the Group also wants to prepare for the future by helping the glass industry to decarbonise itself over the long term.

This is the mission of the non-profit organisation Glass Futures, which, with its Global Centre of Excellence, aims to accelerate the sustainable transformation of the glass industry through innovation and collaboration.

Waste management

Rémy Cointreau takes measures to reduce the amount of solid waste on its sites with a policy of educating staff about waste sorting and recycling.

Generally, solid waste from the Group’s production sites supplies energy or materials recycling channels. It is mainly comprised of packaging waste (glass and cardboard). For three years, solid waste monitoring and processing indicators have made the distinction between materials recycling and energy recovery. The Group’s priority objective is to reduce the tonnage of solid waste and then to encourage material recycling rather than energy recovery.

During 2021/2022, the Group’s waste increased by a limited 3% (2,455 tonnes – GRI Standard 306-2 indicator), despite the strong growth in volumes produced. The waste recycling rate was 95%, stable compared to the previous year. Thus, 88% of waste was subject to material recovery, while 7% was directed to energy recovery. 100% of waste is recovered at our Cognac, Angers, Domaine des Hautes Glaces and Damery (House of Telmont) sites, while Westland (16%) and Barbados (37%) still have progress to make.

Main actions for 2021/2022

Cognac: the House of Rémy Martin joined the *PACTE EFFICACITÉ MATIÈRES* coordinated by Calitom (public waste service of the Charente, the Chamber of Commerce and Industry of Charente, Grand Cognac and the SOLTENA network), for which the aim over 20 months was to support and accompany companies committed to eliminating/reducing their waste. The main actions carried out during the year were the recycling of filtering filters and canisters (25 tonnes of filters and 10,000 canisters diverted from landfill in 2021/2022), and better recovery of backing labels and wood (6.5 tonnes of recovered wood).

Westland: as part of its EnviroStars certification, Westland continued to increase its sorting and recycling capacities, particularly for plastic packaging, plastic films and batteries. New compostable items such as single-use work gloves were also introduced for the production team. In general, the development of a waste management plan is underway and audits are planned for 2022/2023.

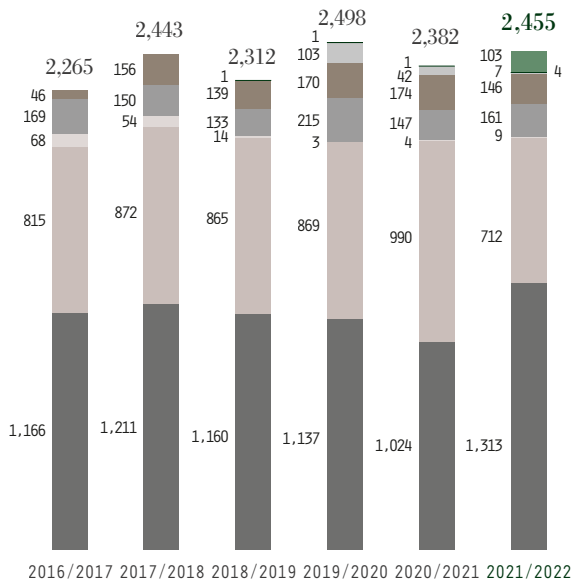
Islay: as a B-Corp certified company, the Islay site monitors and sorts its waste (more than 90% recovery). Numerous initiatives have been put in place, including the recovery of botanical plant waste from gin distillation, which is donated to the local farm for use as fertiliser.

Barbados: Mount Gay continued to implement its new waste treatment channel, mainly glass, cardboard and plastic. A new

awareness-raising campaign for employees on waste management and sorting was carried out this year, supplemented by an internal campaign to recycle glass and plastic, in order to encourage employees to sort waste better.

Paris: in addition to traditional waste sorting (set up in 2016), the administrative site has equipped itself with specific bins to recycle used paper masks with the company Recygo, during 2021/2022.

Quantity of waste (GRI Standard 306-2)
(in tonnes)



- o/w Angers site
- o/w Barbados site
- o/w Cognac site
- o/w Islay site
- o/w Domaines Rémy Martin site
- o/w Westland site
- o/w Domaine des Hautes Glaces site
- o/w Telmont site

2018/2019: integration of Domaine des Hautes Glaces
2019/2020: integration of Westland
2021/2022: integration of Telmont and Belle de Brillet (included in Cognac)

1.3.3.3 WATER MANAGEMENT (SDG 6)

Challenge

For several years, Rémy Cointreau has endeavoured to promote responsible and sustainable agriculture, while remaining uncompromising on the quality of its products. In this respect, Rémy Cointreau actively participates in helping to protect its *terroirs* and natural resources, which are key to the quality of its products.

Among these natural resources, water poses a major challenge for the Group, particularly in terms of its availability for distillation activities at the Barbados, Islay, Westland, Domaines Rémy Martin and Domaine des Hautes Glaces sites, and its quality for the production of the Group’s products.

The same is true of liquid waste discharges. Rémy Cointreau is committed to protecting its *terroirs* and preserving their biodiversity. It is essential therefore for the Group to minimise its liquid waste and ensure that it is treated before being discharged into the natural environment, in order to minimise all pollution risks.

Policy

Since 2016, the 2020 CSR plan identified water consumption and conservation as an environmental objective. The first step was to make consumption measurements more reliable at all production sites. Thus, at the Barbados site, a water-stressed area, and the Group’s largest water consumer, flow meters have been installed to obtain reliable water consumption measurements. Precise water consumption maps were also carried out at the Cognac and Angers sites in order to identify the water actually drawn from the natural resource and not discharged by the site, *i.e.* Net water consumption. The results obtained showed that the water actually consumed by the activity represented 44% of the “incoming” water at the Angers site and 60% at the Cognac site.

In addition to water consumption, the Group also pays particular attention to preserving its quality. The treatment of liquid waste from its production sites is thus closely monitored. The majority of this liquid waste takes the form of vinasse. For several years, the volume of liquid waste has been measured and BOD/COD analyses are carried out regularly before and after treatment and before discharge into the natural environment (GRI Standard 306-1).

For the last five years, Rémy Cointreau has met CDP (Carbon Disclosure Project) water reporting requirements. After an increase in 2020/2021, the Group's rating remained at "B" in 2021/2022, in line with the average ratings of companies in its sector of activity and all European companies rated by the CDP.

In 2021/2022, for the first time, a "water footprint" was calculated for the entire value chain, on the same model as the carbon footprint. On the basis of this initial assessment, the objective is to define a roadmap and reduction targets for 2030.

In addition to the actions that will be identified, the Group's vision and strategy to converge the agricultural practices of its *terroirs* towards agroecology will make the land more resilient in the face of global warming and the potential lack of water. It will thus limit the use of irrigation.

Overview of the Group's water footprint and its main categories

For the first time in 2021/2022, Rémy Cointreau conducted a "water footprint" following the same approach and methodology as the carbon footprint.

The water footprint consists of understanding the quantity of water consumed by Rémy Cointreau and measuring its impact on water quality for all of its activities.

For quantity, the water footprint measures:

- net water consumption (water that is withdrawn from a watershed and not returned). This may result from its evaporation, its integration into a product or its discharge into a different catchment area from the one from which it was collected. Net water consumption takes into account all sources of water for this production (irrigation when it takes place as well as groundwater and well water).
- Water stress is calculated by weighting water consumption according to the region of the world where it is taken via a water stress index (this represents the risk of depriving another user of fresh water (human or ecosystem) by consuming freshwater in a particular region). To calculate it, we use the AWARE (Available Water Remaining) water stress indicators recommended by the European Commission and the PEF.

For water quality, the footprint measures:

- acidification, which comes from the addition of acidic substances to the environment (nitrogen oxide, ammonia and sulfur oxide);
- eutrophication, which quantifies the impact of phosphate-based inputs (fertilisers) on the growth of algae in freshwater and the degradation of surrounding ecosystems;
- freshwater ecotoxicity, which measures the impacts caused by the release of substances that have a direct effect on the health of surrounding ecosystems.

For Rémy Cointreau, this water footprint provides a picture of its net water consumption across its entire value chain. This amounts to 4,202,623 m³, of which 6% is related to scopes 1 & 2, while scope 3 represents 94% of the Group's water footprint.

The net water consumption related to the Group's internal operations (scopes 1 & 2) amounts to 253,800 m³, of which 107,858 m³ related to the production of the energy used by the Group's sites and 145,942 m³ related to the direct use of water for internal operations. This direct use of water (145,942 m³) corresponds to 61% of the Group's gross water consumption,

confirming that slightly less than half of the volumes consumed are returned to the planet.

Within scope 3, most of the water consumption comes from the cultivation of agricultural ingredients and to a lesser extent from packaging.

In terms of purchases of agricultural raw materials, the production of cognac *eaux-de-vie* accounts for 37% of net water consumption. This is due to the large volume of *eaux-de-vie* produced compared to other alcohols and also, and above all, by the quantity of grapes required to produce one litre of pure alcohol (15 kg of grapes to produce one litre of pure alcohol approximately).

Lastly, the level of the Group's water stress is "medium", combining a low indicator for the portion consumed in France and a higher indicator in the countries of agricultural supplies such as Ghana, Spain, Morocco, Greece, Brazil and Barbados.

Action plans

Ensuring the availability and quality of water

The Group's total water consumption (237,356m³) was up by 18% compared to the previous year (GRI standard indicator 303-1), in line with the increase in volumes produced. In terms of intensity, water consumption was stable at 41l per case.

The Mount Gay site in Barbados accounts for 43% of the Group's water consumption, with the Cognac, Angers and Islay sites accounting for most of the rest.

BARBADOS

In order to mitigate the water stress on the island, the teams continued to deploy actions to preserve water resources. Thus, despite strong growth in volumes produced, water consumption was up by only 2% in 2021/2022:

- agroecology: Changes in site ownership cultivation methods (plant cover, reduction of plowing, agroforestry, etc.) allow better water retention in the soil during dry periods and therefore better preservation of the water resource;
- water management: a drip irrigation system has been ordered and will be installed in 2022/2023. This will make it possible to use the water from the pond for the management of sugar and non-sugar crops;
- rainwater harvesting systems: two rainwater harvesting systems have been installed: a pond located near the Mount Gay property is used to irrigate the plantations and a system to collect rainwater from roofs stores it in a collection tank;
- application of vinasse: the application of vinasse on cultivated soils is a source of potassium and reduces the use of inorganic fertilisers, but it is also a source of water. Application is carried out on the Mount Gay property and other large private plantations on the island. Approximately 70% of vinasse is spread (37% in 2020/2021 and 24% in 2019/2020);
- refilling of property wells to promote water in the subsoil and feed groundwater.

Other actions taken by other sites include:

ISLAY

- Water consumption is monitored and recorded at key points in the manufacturing process, in order to detect any anomalies.
- The site is in the process of renewing and upgrading the water supply line to the tank, in order to eliminate leaks and facilitate cleaning/maintenance.

- The site is engaged in an overhaul of the cooling tower (water recycling) to reduce water consumption.
- Installation of a water well on the Croft site to study a new sustainable water supply for production purposes.

WESTLAND

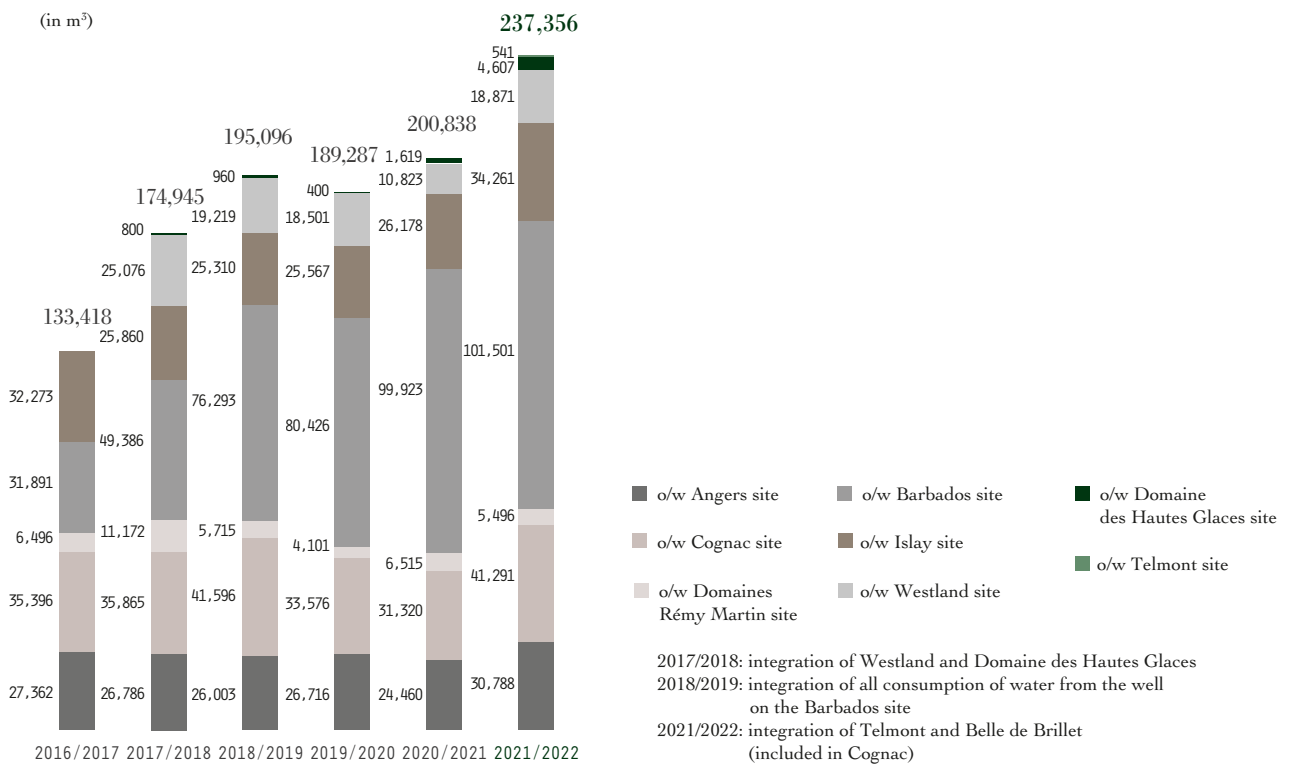
In 2021/2022, Westland confirmed its EnviroStars certification, a local environmental certification that offers Washington state companies recognition of their environmental commitments and assistance in translating them into concrete actions. In line with its certification, Westland has set itself a target of reducing water consumption by 1% per year for five years. A water monitoring programme is under development to monitor current consumption

and draw up a more accurate map of how this consumption is broken down, by using flow meters that have begun to be installed on the production site in 2020/2021.

TELMONT

At Telmont, the vines are not irrigated in accordance with Champagne specifications. Agroecological agricultural practices (grassing that aerates the soil for better infiltration and slowing runoff phenomena with better rainwater penetration) also ensure a good water supply to the plants. Nevertheless, the House collects rainwater on its estate (between 250 and 300 hL depending on the year), for various phytosanitary and biodynamic treatments. Thanks to this, the House does not use municipal drinking water.

Water consumption (GRI Standard 303-1)



Liquid waste discharges

Special attention is given to treating liquid waste from production sites. The majority of this liquid waste takes the form of vinasse. For several years, the volume of liquid waste has been monitored and BOD/COD analyses are carried out regularly before and after treatment and before discharge into the natural environment (GRI Standard 306-1).

Liquid waste discharges (120,194m³) were stable compared to the previous year (GRI Standard 306-1). This increase is mainly due to the increase in volumes produced for all the Group's Houses. In addition, Barbados had to clean up its sites following a cloud of ash (consequence of a volcanic eruption on the island of Saint Vincent).

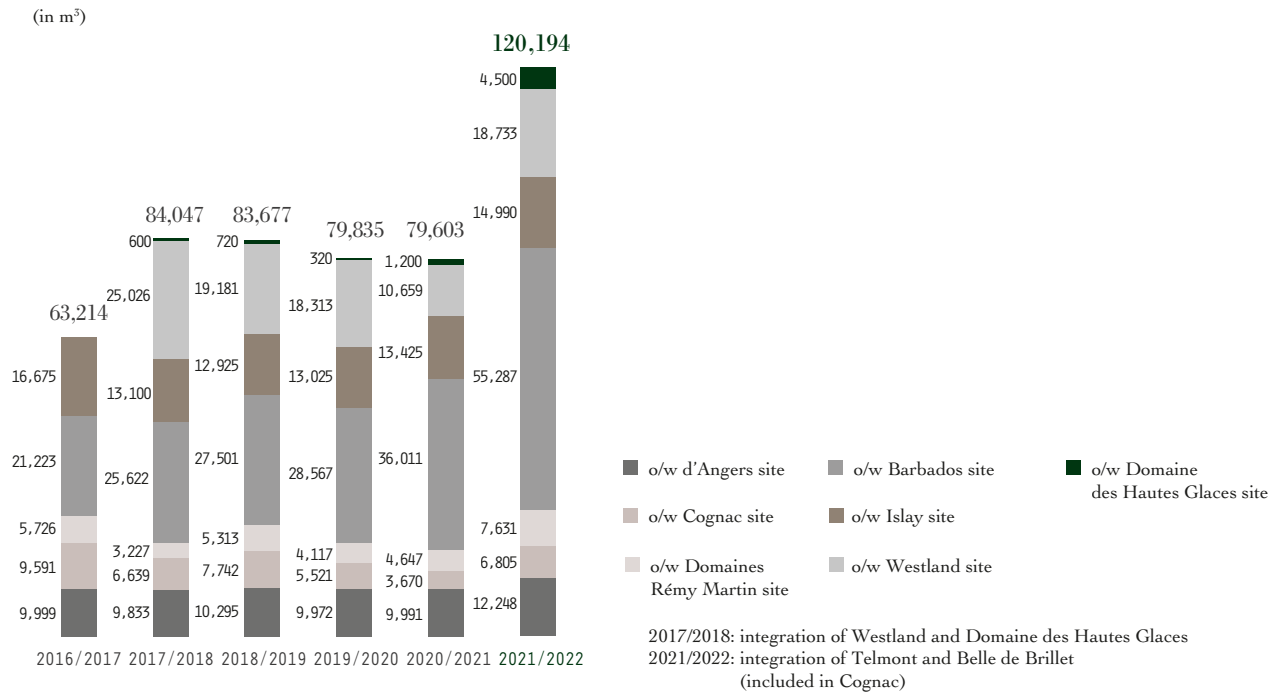
WASTEWATER TREATMENT

Within this framework, the approach for the treatment of liquid waste on a site-by-site basis is as follows:

- for the Cognac and Angers sites, all liquid waste is processed by local treatment plants;
- as indicated above, the Barbados site spreads 70% of its vinasse (51% of the liquid waste) according to specifications in accordance with local regulations, the rest being discharged into the natural environment in accordance with local practices. This initiative is carried out in partnership with local environmental bodies;
- at the Islay site, and in accordance with local regulations, the vinasse is sent to a reprocessing plant shared with other distilleries on the island. The vinasse is diluted then discharged to sea by pipeline to a point far from the coast in order to ensure that the discharge has no environmental impacts;

- all of the Domaines Rémy Martin vinasse is entrusted to a local methane conversion and green energy production plant, on whose Board Rémy Martin sits (Revico site in Cognac);
- Domaine des Hautes Glaces spreads all of its vinasse on agricultural land in accordance with spreading specifications that comply with local regulations. This enables a reduction in the amount of chemical fertilisers used for future crops;
- all liquid waste from the Westland site is treated by a local liquid waste processing plant;
- at Telmont, the water used for phytosanitary treatments is collected at the stations, purified and released to the municipal wastewater treatment plants, where it is then made drinkable.

Volume of liquid waste (GRI Standard 306-1)



At the Angers, Cognac and Domaines Rémy Martin sites, after being treated in treatment plants and being returned to the natural environment, pollution from liquid waste was stable compared with the previous year, with 1.11 tonne of BOD (Biochemical Oxygen Demand - 0.7 tonne in 2020/2021) and 4.6 tonnes of COD (Chemical Oxygen Demand - 3.0 tonnes in 2019/2020).

Total liquid waste pollution discharged from the Group’s sites was 1,955 tonnes of BOD and 2,737 tonnes of COD. The BOD and COD values vary by +42% and -15% respectively. These variations are largely related to the Barbados site, where there was an increase in values collected this year (7 vs. 2).

THE VINASSE RECOVERY RATE REACHED 53% IN 2021/2022

Regarding vinasse recovery, a new indicator was introduced in 2020/2021. As with solid waste, the new calculation compares the volume of vinasse “material” recovered (land application) or energy recovered (methanisation and generation of green energy) with the total vinasse volume. The objective is for this ratio to reach 70% by 2025.

In 2021/2022, the vinasse recovery rate was 53%, up sharply compared to 2020/2021 (32%) and 2019/2020 (23%). This increase is mainly attributable to the increase in amounts recovered at the Barbados site for the application of vinasse (from 37% in 2020/2021 to 70% in 2021/2022).

1.3.4 ETHICS RISKS

1.3.4.1 GOVERNANCE (SDG 16)

Challenge

It is vital that Rémy Cointreau's governance ensures that the CSR policy is an integral part of its overall strategy at all levels of the Group's management, from the Board of Directors to employee management structures.

This is a real challenge for the credibility and reliability of the Group's CSR policy with its employees or external stakeholders. Rémy Cointreau must inspire confidence in its CSR commitments by demonstrating that its CSR strategy is implemented effectively and consistently at all levels of the business.

Policy

CSR Committee: CSR governance within Rémy Cointreau is essentially the responsibility of the Corporate Social Responsibility Committee (CSR Committee), one of the Board of Directors' committees, for which the primary role is to oversee the implementation of the Group's CSR policy. Other tasks include honouring commitments (Global Compact, guidelines and internal CSR Charters), reviewing the actions implemented (CSR plans), and monitoring the indicator dashboard, the findings of CSR reporting audits, changes in non-financial ratings and prospects for future action (updating CSR plans).

Executive Committee: given that they play a key role in CSR governance, part of the variable remuneration of senior executives who sit on Rémy Cointreau's Executive Committee is linked to CSR targets, in accordance with the SDGs selected (essentially SDG 3, 6, 8, 12, 13 and 15). Each member will become an ambassador for one or several CSR indicator(s) and its improvement for all Group employees worldwide.

CSR department: the Group's CSR department reports directly to the Group's Chief Executive Officer. It is responsible for defining, implementing and coordinating the Group's CSR strategy, commitments and objectives.

Employees: employee involvement is also part of the governance policy with the appointment, in 2021/2022, of around a hundred "CSR champions" at the level of production sites, brands, markets and cross-functional functions, with actions coordinated by the Group's CSR department. These champions supplement the existence of HSE (Health, Safety and Environment) officers at some of our sites.

The sites: the ISO 9001, ISO 14001, ISO 22001, ISO 45001, OHSAS 18001, AHVE and B-Corp certification of production sites are also evidence of day-to-day CSR governance.

Action plans

Validation and monitoring of the Sustainable Exception plan by the Board of Directors and the CSR Committee

This year, following its change of team, the CSR department presented the CSR vision and the 2030 roadmap to the Board of Directors in September 2021, which validated them.

In addition, the CSR Committee met three times during 2021/2022 (GRI Standard 102-27). The main topics addressed were as follows:

- assessment of the 2020/2021 CSR reporting within the framework of the European Non-Financial Performance Statement (DPEF);
- validation of the scenarios selected for the carbon reduction trajectory submitted to the Science Based Target (2030 carbon objectives and the "Net Zero 2050" objective);
- presentation of carbon offset projects as part of the climate strategy;
- presentation of the Group CSR budget for 2022/2023 and the 5-year mid-term plan;
- proposal of new social and environmental indicators in line with the new vision.

The Executive Committee regularly monitors the implementation of CSR plan and held one meeting on this subject this year.

Member of the Global Compact since 2003 – GC Advanced qualification of its annual CSR reporting (7th year)

One of the key aspects of CSR governance that has historically underpinned the Group's commitments is adherence to the Global Compact. Following on from the ratification and adoption of the Global Compact, since 2003, Rémy Cointreau has maintained its commitments to be an ambassador for best practice in the field of human rights, labour standards, environment and anti-corruption.

A member of the Global Compact France Association for several years, Rémy Cointreau undertakes to respect and regularly share the ten principles of the Global Compact with its employees and partners. The concept of CSR is promoted both within the Company and externally, both upstream and downstream, to its customers, partners, suppliers and other stakeholders.

In July 2021, for the seventh consecutive year, Rémy Cointreau was awarded the GC Advanced Qualification for its annual CSR reporting. This is the highest level of recognition awarded by the Global Compact, and attests to the strength of the Group's commitment. The practical integration of the SDGs into the Group's CSR challenges and the actions taken in the context of responsible purchasing management were highlighted as some of the strengths of the Group's CSR strategy.

Closely involved in CSR issues, Rémy Cointreau is also a member of the GC Advanced Club. The purpose of this club is to share CSR best practice with other members based on cross-cutting themes. This year, for example, the following topics were discussed: "Biodiversity conservation", "Diversity and inclusion in the workplace", "Only 10 years left to achieve the United Nations SDGs: what are the tools for measuring its contribution and its impacts?".

Promoting the Group's CSR strategy to all employees

The fourth pillar of the Group's transformation, the CSR strategy is also regularly shared during Management Committees meetings and during management reviews of the production sites. The same applies for staff meetings, since the Group is keen to involve its employees in CSR.

At Group level, the CSR department rolled out regular “CSR Meetings” webinars, accessible to all Rémy Cointreau Group employees. These conferences were designed to offer a progressive and consistent educational experience on sustainable development issues, and also to share best practices and progress made by the Group’s various teams in terms of CSR. This year, four conferences were organised:

- Climate & Enterprise (with The Shift Project association);
- presentation of Rémy Cointreau’s solidarity climate initiatives (with South Pole);
- sharing of the best CSR practices of the Mount Gay Distillery;
- sharing of the best CSR practices within the Group’s Supply Chain.

These webinars are also accessible in replay by all Group employees.

The CSR department also worked on the launch of a collaborative CSR application to develop, group and distribute all the CSR assets of the Group and the Houses; stimulating discussions between employees on CSR news and best practices; as well as enriching employees’ knowledge through educational paths. A test phase of the application is planned for the beginning of the 2022/2023 financial year, with several CSR Champions.

At the Cognac and Angers production sites, Health, Safety and Environment meetings also took place three times per year to monitor regulatory decisions on the legal provisions contained in these topics, and to summarise the actions carried out in line with the Group’s CSR policy.

At the Cognac site in particular:

- HSE (Health, Safety, Environment) officers have been assigned to different departments for several years. They are relays and spokespeople for staff in their business sector. They take part in assessing practical arrangements for reducing environmental impacts (solid waste sorting, consumption, incidents, near misses, etc.) and pass on any suggestions for improvement to our Environment and Safety Management System. The officers help achieve safety and environment targets and are called upon to reflect on changing practices. In 2021, for example, they were particularly involved in the active participation in Health, Safety and Environment workshops, which lasted two days. Four different stands welcomed more than 200 participants on topics such as: real fire situations; first aid measures; zero waste; new provisions in the French Highway Code;
- specific innovative workshops and meetings to present objectives and maintain achievements may be organised at production sites in order to regularly raise employee awareness. This year, an educational programme was organised for all bottling staff. During this workshop, around ten project or department managers presented the achievements of the year and the objectives to come on all subjects related to production (quality, CO₂, waste, continuous improvement, industrialisation, logistics, production, etc.);

- the WeCare Academy training programme designed to mobilise all teams around the 2025 “Sustainable Exception” CSR plan, continues to be rolled out within the Group. Launched in early 2021 by Rémy Martin, this training course is organised around three educational and collaborative workshops and focuses on three strategic areas for the future: sustainability of the *terroirs*, eco-design of products and responsible ambassadors;
- the internal REMYSCOPE newsletter sent to all employees regularly addresses CSR topics, particularly those related to the site’s low-carbon strategy.

The Westland site continues to roll out actions to ensure that CSR is at the heart of its corporate culture:

- since 2019, an individual CSR bonus was introduced as part of the employee compensation scheme;
- in 2020, an interfunctional committee was created to promote the site’s environmental management system (Westland Environmental and Sustainability Team).

Certification of Group sites

Cognac:

- ISO 9001 (Quality)⁽¹⁾;
- ISO 14001 (Environment)⁽¹⁾;
- ISO 22001 (Food Safety)⁽¹⁾.

The *eaux-de-vie* storage site in Cognac is classified as Seveso High Threshold on account of the quantities of *eaux-de-vie* ageing. The site is subject to a comprehensive Safety Management System (SMS).

In Angers, Cointreau is certified:

- ISO 9001 (Quality);
- ISO 14001 (Environment);
- ISO 22001 (Food Safety);
- OHSAS 18001 and ISO 45001 (Health/Safety).

The Cointreau square also renewed the tourism quality label in August 2021, with a new integration of CSR commitments in the visitor circuits, also audited during the renewal⁽¹⁾.

Domaine des Hautes Glaces is certified:

- Organic production and labelling of organic products (European Council regulations (EC) No. 834/2007 and No. 889/2008) for two years.

The Bruichladdich Distillery is certified:

- B-Corp since 2020;
- ISO 9001⁽¹⁾;
- Organic production and labelling of organic products (European Council regulations (EC) No. 834/2007 and No. 889/2008) for three years;
- Organic and Biodynamic Production⁽²⁾.

The Mount Gay Distillery is certified:

- ISO 9001 (Quality)⁽¹⁾;
- ISO 22001;
- Bonsucro Chain of custody (ChoC) V5.1⁽²⁾.

(1) Renewal audit carried out this year to maintain the certification.

(2) Certification obtained this year.

1.3.4.2 BUSINESS ETHICS AND TAX POLICY (SDG 16)





Information on business ethics and tax policy can be found in chapter 2 (GRI Standards 102-16 and 102-17).

One of the main initiatives of the year was the rolling out of “anticorruption” training at Rémy Cointreau using an e-learning module, in French, English and Chinese.



The aim is to raise awareness among all Group employees about the fight against corruption. It is everyone’s duty to be aware of the challenges in this area and to act with integrity with the Group’s stakeholders, particularly with its business partners.

1.4 TABLE OF INDICATORS

TABLE OF PROGRESS INDICATORS⁽¹⁾, MONITORING INDICATORS⁽²⁾ AND THEIR TARGETS

SDGs	Rémy Cointreau's challenges	Risks relating to the challenge	Risk-related indicators	
			Indicators	Scope
TERROIRS				
	Sustainable agriculture	Sustainable production of our agricultural raw materials and <i>terroirs</i>	Percentage of agricultural land managed sustainably, in % ⁽¹⁾	World
			Percentage HVE certification of vineyards in the Cognac wine-growing cooperative (AFC), in % ⁽¹⁾	Cognac site
	Biodiversity conservation	Percentage of Houses with at least one biodiversity programme ⁽¹⁾	World	
PEOPLE				
	Responsible consumption	Binding regulatory and fiscal framework; Activity-related alcohol consumption	Qualitative information	World
	Internal training/ skills development	Loss or deterioration of certain know-how/ Lack of staff training in some countries	Percentage of employees completing at least one training course per year, in % ⁽²⁾	Production sites World/Subsidiaries World (>20 employees)
			Training hours per employee ⁽²⁾ – GRI Standard 404-1	
	Non-discrimination and internal societal balance	Lack of appeal and reputation of the Company	Percentage of men/women in management, in % ⁽¹⁾ – GRI Standard 401-1	Production sites World/Subsidiaries World (>20 employees)
			Gender Equality Index, scored out of 100 ⁽¹⁾	France
			Percentage of men/women trained, in % ⁽¹⁾ – GRI Standard 404-1	Production sites World/Subsidiaries World (>20 employees)
			Percentage of women on the Executive Committee, in % ⁽¹⁾	World




Progression							CSR targets	
2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2024/2025	2030/2031
TERROIRS								
		36	52	58	64	78	100	
		23	42	50	54	56	70	100% in 2028/2029
						70	100	
PEOPLE								
								100% of employees trained by 2023
			68	74	69	80	80	
	10.2	13.3	13.9	17.1	10.9	15.8		Annual monitoring
		43	44	45	46	48	50	
				83 ^(a)	83	84	90	
	43	43	46	45	45	43	50	
17	17	17	17	17	10	33 ^(b)	40	50

SDGs	Rémy Cointreau's challenges	Risks relating to the challenge	Risk-related indicators	
			Indicators	Scope
PEOPLE				
	Employee well-being	Turnover/ Absenteeism/ Workplace accidents	Turnover, in % ⁽²⁾ – GRI Standard 401-1	World
			Absenteeism, in % ⁽²⁾ – GRI Standard 403-2	
			Workplace accident frequency rate ⁽²⁾ – GRI Standard 403-2	France/Production sites World
			Workplace accident severity rate ⁽²⁾ – GRI Standard 403-2	
			Average age ⁽²⁾	Production sites World/Subsidiaries World
			Seniority ⁽²⁾	
	Responsible purchasing	Suppliers: non-compliance with regulations – responsible and sustainable practices (working conditions)/ Company's reputation among customers	Percentage of strategic suppliers with active SEDEX membership, in % ⁽¹⁾ – GRI Standard 308-1 and 414-1	World
			Percentage of strategic suppliers that have signed up to SEDEX having completed the entire self-assessment questionnaire, in % ⁽³⁾ – GRI Standard 308-1 and 414-1	
		Company reputation in relation to deforestation	Percentage of new barrels purchased that are PEFC or FSC certified, in %	World
	Local impact (sustainable development of regions)	Lack of appeal and reputation of the Company	Rate of sites with at least one action in favour of its region, in % ⁽¹⁾	World
	Governance/Business ethics	Binding regulatory and fiscal framework (prohibition)	Ethics and/or anti-corruption charter training rate, in % ⁽¹⁾	World
			Number of alerts ⁽²⁾	
		B-Corp certification	Number of B-Corp certified production sites ⁽¹⁾	

Progression						CSR targets	
2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2024/2025 2030/2031
PEOPLE							
		14.8	13.2	13.8	13.6	15.6	<17
4.6	2.7	2.3	2	2.3	2	1.8	<4
8.9	13.31	9.13	7.6	11.21	3.5	7.9	<9
0.07	0.13	0.38	0.51	0.53	0.67	0.3	<0.3
41	41	41	40	41	41	41	Annual monitoring
9.4	9.1	8.4	7.9	8	7.9	7.6	Annual monitoring
					82	78	100
					49	82	100
						55	100
						86	100
		80	-	86	80	84	100
			6	5	7	7	Annual monitoring
				1	1	1	Annual monitoring

CSR CHALLENGES (STATEMENT OF NON-FINANCIAL PERFORMANCE)

TABLE OF INDICATORS

SDGs	Rémy Cointreau's challenges	Risks relating to the challenge	Risk-related indicators	
			Indicators	Scope
TIME				
	Water management	Water availability and quality	Water consumed, in m ³ ⁽²⁾ - GRI Standard 301-1 Rate of vinasse recovery from distillation, in % ⁽¹⁾ - GRI Standard 306-3	Production sites World
	Circular economy and reduction of raw material consumption	Increased raw material costs	Percentage of products sold without secondary packaging, in % ⁽¹⁾ Volume of solid waste recovered, in % ⁽²⁾ - GRI Standard 306-2	All brands Production sites World
	Contribution to the global effort (scenario well below 2 °C) and sustainability of the Company	Carbon impact/ Binding regulatory and fiscal framework (carbon tax)/Company's reputation among customers	CO ₂ emissions – Scopes 1, 2 & 3 in Teq CO ₂ ⁽²⁾ – GRI Standard 305-3 Percentage of significant CO ₂ emissions product packaging, in % ⁽²⁾ Percentage of significant CO ₂ emissions – upstream freight and downstream product transportation, in % ⁽²⁾ Percentage of significant CO ₂ emissions – raw materials, in % ⁽²⁾ CO ₂ emissions reduction rate – Scopes 1, 2 & 3, in intensity, in % ⁽¹⁾ CO ₂ emissions reduction rate – Scopes 1 & 2, in absolute terms, in % ⁽¹⁾ CO ₂ emissions reduction rate – Scope 3 (objective on more than 2/3 of Scope 3), in absolute terms, in % ⁽¹⁾ Total energy consumption, in MWh ⁽²⁾ – GRI Standard 302-1 Renewable energy consumption rate, in % ⁽¹⁾ – of which renewable electricity consumption rate, in % ⁽¹⁾	Production sites World World

(1) Progress indicators

(2) Monitoring indicators

(3) Management indicators

(a) Indicator performance change mainly reflects the adjustment to how emissions are calculated (migration from the Bilan Carbone tool to the GHG Protocol tool) and the inclusion of the Islay, Domaine des Hautes Glaces and Westland sites.

(b) Announced 2021/2022, effective 2022/2023.

CSR CHALLENGES (STATEMENT OF NON-FINANCIAL PERFORMANCE)

TABLE OF INDICATORS

Progression						CSR targets		
2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2024/2025	2030/2031
TIME								
123,729	133,418	174,945	195,096	189,287	200,838	237,536	Annual monitoring	
				23	32	53	70	
				21	74	76	85	
91	89	92	94	93	95	95	99	
	145,789	135,528	174,842 ^(a)	180,449	121,189	148,483		
		37.0	46.5	40.6	35.4	41.3		
		22.7	19.3	23.5	20.4	16.9		
		30.6	14.7	13.0	18.5	23.2		
						-9 ^(c)	-50 ^(c)	
						-18 ^(c)	-42 ^(c)	
						9 ^(c)	-25 ^(c)	
36,x235	41,854	39,656	38,495	39,261	40,125	43,511		
					26	44	100	
	78	77	79	82	86	87	100	

1

— 1.5 NOTE ON METHODOLOGY FOR REPORTING INDICATORS

Rémy Cointreau complies with the legislation on non-financial performance statements (Decree No. 2017-1265 of 9 August 2017). This requires listed companies to prepare a CSR risk map for their business and to link it to progress indicators. These indicators are supplemented by monitoring and management indicators.

Since 2003, Rémy Cointreau has been a signatory to the UN Global Compact, and aims to be an ambassador for the best practices of this worldwide commitment to human rights, labour standards, the environment and the fight against corruption.

The concept of Corporate Social Responsibility (CSR) is promoted within the Company, as well as externally, with clients, suppliers and all other stakeholders.

Rémy Cointreau's new Corporate Social Responsibility (CSR) Charter is based on 10 of the 17 UN Sustainable Development Goals (SDGs).

It is based on three main pillars:

- **preserving our *terroirs* and promoting our soils as a solution to global warming:**

At Rémy Cointreau, each product is the expression of our *terroirs*: a unique soil, a unique climate, a specific biodiversity. We are committed to preserving these fragile ecosystems and to perpetuating our know-how, built over generations, to produce exceptional champagne and spirits. Regenerated soils, combined with flourishing biodiversity, are more resilient and can contribute to the fight against climate change. This is why we deploy agroecological practices with the involvement of our farmers and local communities;

- **taking action for our People and our communities; because sustainable transformation can only be achieved through collective work:**

Sustainable transformation is a collective adventure. As a family business, it is this conviction that has made our Group so strong. This requires respect for the men and women who make up our community, united around our historical values of respect and excellence. We also want to train and support our farmers, partners and bartenders so that they will be the best ambassadors of the transition in our sector tomorrow. Lastly, our commitment is to inspire our consumers to consume more responsibly when tasting our champagne and spirits during celebrations;

- **committing over time; because the planet cannot wait, we are already contributing to the Group's carbon neutrality, while investing to reduce our environmental footprint:**

Rémy Cointreau is fully committed to reducing its carbon emissions per bottle by 50% by 2030 and achieving "Net Zero" by 2050. To do this, we mobilise all our partners to improve, or even transform, our practices over the long term. We are reducing the energy consumption at our production sites and switching our distilleries to renewable energies. We are rethinking the design of our bottles to

reduce their impact and encourage new consumption patterns. We are optimising our flows, favouring the most ecological modes of transport and invest in those of tomorrow. We know that action is urgently needed. Thus, we are committed to carrying out solidarity-based climate actions each year to offset our residual emissions and contribute to the Group's Carbon Neutrality as of now.

The measures implemented in the context of the CSR policy are regularly presented in the annual reports, which describe all the CSR indicators in line with the GRI (Global Reporting Initiative indicators).

These documents are available on the Rémy Cointreau website and are sent to all stakeholders. (www.remy-cointreau.com)

1.5.1 REPORTING PROTOCOL

The 2021/2022 reporting protocol is an internal document that describes Rémy Cointreau's CSR commitments and presents the structure and the resources implemented to ensure that reports are of a high standard and reliable.

It acts as a guide for internal reporting and a standard for the external verification in 2021/2022 of the various CSR indicators resulting from the non-financial performance statement.

The reporting protocol is established by Rémy Cointreau's HR and CSR departments. It can be consulted on request from the CSR Director at the following address:

Laetitia Delaye
Head of Corporate Social Responsibility
21 rue Balzac
75016 PARIS, France
laetitia.delaye@remy-cointreau.com
Tel: +33 (0)7 87 25 36 01

The reporting protocol is updated annually in order to take into account any changes in reporting requirements and CSR indicators.

1.5.2 SCOPE

Rémy Cointreau's CSR commitments apply to all companies within the Group. There are three main areas of focus: employee-related, environmental and societal.

The CSR reporting scope is based on the Group's consolidated financial scope (32 companies – production sites and distribution companies) and corresponds to the non-financial performance statement (Decree No. 2017-1265 of 9 August 2017).

Companies that are exclusively financial and joint ventures not controlled by the Group are not included in the CSR reporting scope. The same applies to companies disposed of and acquired during the year.

ENVIRONMENTAL REPORTING SCOPE

All environmental information covers the production sites in Cognac, Angers, Barbados and Islay (Scotland), as well as the companies Westland (USA), Domaine des Hautes Glaces (France) and Domaines Rémy Martin (Cognac).

All production sites are therefore included in the environmental reporting scope. The distribution subsidiaries are excluded, as their environmental impact is not deemed to be significant.

The environmental indicators listed in the following paragraph (section 1.5.3 "Selected indicators") concern all production sites, apart from the indicators below for which the scope is specified:

- percentage of liquid waste pollution/Chemical Oxygen Demand at treatment outlet (all sites excluding the Westland site);
- GHG audit – Vehicle fleet (for French sites only).

SCOPE OF HR REPORTING

The methodologies used for certain employee-related indicators may have limitations, owing mainly to:

- the absence of common definitions at national or international level;
- necessary estimates, the representativeness of the measures taken or the limited availability of external data required for the calculations.

The definitions and methodologies used for the following indicators are as follows:

1. Employees

The employee-related reporting scope covers all 28 companies.

2. Training

DHG and distribution companies based in Europe are not covered by the training indicator.

The training data of the French subsidiaries takes into account training programmes taken both as part of and outside continued professional development. The number of employees trained takes into account all employees who took at least one training course during the calendar year, including those who were no longer present as of 31 March 2021. Only training courses lasting for at least one hour are listed.

3. Other indicators

Only the production sites at Angers, Cognac, Barbados and Islay, as well as the Paris site, are included in the indicators relating to employee relations, absenteeism and workplace accidents.

Absenteeism: scope limited to French companies (excluding DHG), the Barbados and Islay sites.

- Sick leave only for employees recorded in the total Group workforce, *i.e.* for France, employees on permanent and fixed-term contracts. For permanent employees outside France, on the last day of each quarter with the exception of paid leave, special leave (weddings, christenings, house

moves, etc.), absences for training, authorised unpaid leave, leave for trade union activities, sabbaticals and business creation, time off in lieu, compensatory leave, bank holidays and parental leave.

- For CSR reporting, the number of employees is recorded as at 31 March. The indicator is calculated over the last 12 months.
- The absenteeism rate is equal to the number of hours of absence divided by the number of theoretical hours worked (hours at workstation plus hours absent for illness, leave, training, travel, etc.).
- The calculation of the absenteeism rate excludes long-term illness (absence of more than 90 days).

Workplace accident frequency rate: scope limited to French companies (Angers, Cognac, Paris), and the Barbados and Bruichladdich sites.

All accidents in the workplace or on business trips affecting permanent and fixed-term employees counted in the Group's total workforce for the French scope, and permanent employees for the scope outside of France, as at the last day of each quarter and requiring both a declaration to be made and leave of at least one day, irrespective of applicable national regulations.

- This rate is expressed as the number of workplace accidents with lost time per million actual hours worked, calculated as the number of accidents with lost time multiplied by one million and divided by the actual number of hours worked.
- An actual hour worked is one hour of work carried out within the Group by an employee during a tax period, that is to say an hour actually spent at a workstation. Hours of absence are not included (illness, leave, training, travel, etc.).
- Where hours actually worked are not available, the frequency rate may be calculated using the number of theoretical hours worked.

Workplace accident severity rate: scope limited to French companies (Angers, Cognac, Paris), and the Barbados and Islay sites.

- All accidents in the workplace or on business trips affecting permanent and fixed-term employees counted in the Group's total workforce for the French scope, and permanent employees for the scope outside of France, as at the last day of each quarter and requiring both a declaration to be made and leave of at least one day, irrespective of applicable national regulations.
- This rate is expressed as the number of days lost to workplace accidents per thousand actual hours worked, calculated as the number of days lost multiplied by 1,000 and divided by the actual number of hours worked.
- The number of lost days has to be calculated as calendar days from the day of the accident.
- An actual hour worked is one hour of work carried out within the Group by an employee during a tax period.
- Where hours actually worked are not available, the severity rate may be calculated using the number of theoretical hours worked.

1.5.3 SELECTED INDICATORS

All indicators included in 2020/2021 reporting are listed below.

They are also presented in the 2020/2021 reporting protocol where, for each one, a detailed fact sheet specifies its scope, definition, calculation methodology, the necessary data and the checks carried out to calculate and verify the figures obtained.

SOCIAL INDICATORS

- Total Group workforce
- Breakdown of employees by gender and position
- Breakdown of employees by geographic area
- Number of recruitments by position and contract type
- Number of departures detailed by reason
- Average age by professional category
- Average length of service by gender and by socio-professional category
- Absenteeism rate
- Workplace accident frequency rate
- Workplace accident severity rate
- Percentage of disabled employees in the total workforce
- Number of training hours per employee
- Number of training hours by gender
- Workforce trained by gender
- Gender equality index
- Rate of women within the Executive Committee

ENVIRONMENTAL INDICATORS

Energy

- Total energy consumption
- Direct energy consumption
- Indirect energy consumption
- Renewable energy consumption
- Renewable electricity consumption rate
- Renewable electricity consumption rate

Water consumption

- Water consumption
- Volumes of liquid waste
- Percentage of liquid waste pollution/Biological Oxygen Demand (BOD) at treatment outlet
- Percentage of liquid waste pollution/Chemical Oxygen Demand (COD) at treatment outlet
- Volume of liquid distillation waste recovered

Sustainable agriculture

- Agricultural land farmed sustainably
- Certification of the Alliance Fine Champagne cooperative (Cognac)
- Percentage of Houses with at least one biodiversity programme

Packaging raw material

- EPI (Environmental Performance Index)

Solid waste

- Quantities of solid waste
- Percentage of materials recovery from solid waste (hazardous and non-hazardous)
- Percentage of energy recovery from solid waste (hazardous and non-hazardous)

Carbon footprint assessment

- CO₂ audit – GHG emissions (scopes 1 and 2)
- CO₂ audit – GHG emissions (scope 3)
- CO₂ audit – Significant GHG emissions (scopes 1, 2 and 3)

SOCIETAL INDICATORS

Societal Engagement

Rate of sites with at least 1 action in favour of the region

Business ethics

- Percentage of employees trained
- Number of alerts

Responsible purchasing

- Percentage of suppliers who are SEDEX members and classified “active”
- Percentage of strategic suppliers who are SEDEX members and who completed the entire self-assessment questionnaire
- Percentage of new barrels purchased that are PEFC or FSC certified

1.5.4 RELEVANCE OF INDICATORS

The CSR indicators used by Rémy Cointreau demonstrate the concrete nature and reliability of the measures the Group implements in relation to its CSR commitments.

They contribute to the decision-making process of the users of these indicators in respect of plans designed to enable Rémy Cointreau to make the necessary progress and achieve its CSR objectives.

— 1.6 CROSS-REFERENCE TABLES

Cross-reference table – Non-financial performance statement	Pages
Employee-related consequences of the business	
Collective agreements and their impacts	51-53
Tackling discrimination	53-54
Promoting diversity	53-54
Societal commitments	53
Commitments to disability	54
Environmental consequences of the business	
Climate change	34-35, 41-50, 61-70
Circular economy	71-73
Food waste	n/a
Food poverty	n/a
Animal welfare	n/a
Responsible, fair and sustainable nutrition	n/a
Impact of the business on respect for human rights	51-61
Impact of the business on the fight against corruption and tax evasion	38-39, 77-79

Cross-reference table of CSR/Global Compact GC Advanced commitments		Pages
General information	Chairman & Chief Executive Officer's declaration of ongoing support for the United Nations Global Compact and its principles	2-3
	Description of policies or measures implemented with regard to human rights, international labour standards, the environment and the fight against corruption	36-39, 77
	Quantitative measurement indicators	40-43, 81-85
	Assessment by a credible third party of the accuracy and scope of the information	92-94
	Use of high standards of transparency and disclosure such as the GRI (Global Reporting Initiative) guidelines	93
	Integration of Sustainable Development Goals (SDGs)	2-3, 36-39
	Actions to advance Sustainable Development Goals (SDGs)	36-39
GC Advanced criteria: implementing the ten principles into Strategies & Operations	Criterion 1: description of mainstreaming into corporate functions and business units	2-3, 36-36, 77
	Criterion 2: description of value chain implementation	38-39
	Criterion 3: description of robust commitments, strategies or policies in the area of human rights	34, 39, 61, 119,151
	Criterion 4: description of effective management systems to integrate human rights principles	51-61
	Criterion 5: description of effective monitoring and evaluation mechanisms of human rights integration	34, 37-39, 51-54, 57-61
	Criterion 6: formulation of robust commitments, strategies or policies in the area of labour standards	34, 37-39
	Criterion 7: description of effective management systems to integrate the labour principles	51-54, 58-59
	Criterion 8: description of effective monitoring and evaluation mechanisms of labour principles integration	37, 58-59, 80-83
	Criterion 9: formulation of robust commitments, strategies or policies in the area of environmental stewardship	34, 37, 38-39
	Criterion 10: description of effective management systems to integrate the environmental principles	41-50, 61-76
	Criterion 11: description of monitoring and evaluation mechanisms for environmental stewardship	37, 61-76, 80-84
	Criterion 12: formulation of robust commitments, strategies or policies in the area of anti-corruption	38-39, 77-79
	Criterion 13: description of effective management systems to integrate anti-corruption principles	58-59
	Criterion 14: description of monitoring and evaluation mechanisms for the integration of the anti-corruption principles	58-59, 80-83
GC Advanced criteria: taking action in support of broader UN goals and issues	Criterion 15: description of core business contributions to broader UN goals and issues	2-3, 41-76
	Criterion 16: description of strategic social investments and philanthropy	59-61
	Criterion 17: description of advocacy and public policy engagement	59-62
	Criterion 18: description of partnerships and collective actions	59-62
GC Advanced criteria: CSR governance and leadership	Criterion 19: description of CEO commitment and leadership	2-3, 35, 77
	Criterion 20: description of Board adoption and oversight	35-77
	Criterion 21: description of stakeholder engagement	41-80

Cross-reference table of CSR/Global Reporting Initiative (GRI) Indicators – GRI Standard Version		Pages
Strategy and analysis	102-15	34-35
Ethics and integrity	102-16	77-79
	102-17	77-79
Governance	102-27	35,77
Stakeholder engagement	102-43	41-80
	102-44	41-80
Recycled raw materials	301-2	71-73
Energy consumption	302-1	66-69
Reduction of energy consumption	302-4	66-69
Water consumption	303-1	73-75
Protected or restored habitats	304-3	46-49
Scope 1 GHG emissions	305-1	63,65
Scope 2 GHG emissions	305-2	63,65
Scope 3 GHG emissions	305-3	63,65
Reduction in GHG emissions	305-5	61-70
Liquid waste	306-1	75-76
Tonnage of solid waste	306-2	72-73
Supplier CSR assessment (environmental criteria)	308-1	39, 58-59
Employee turnover rate	401-1	51-52
Work-related accidents and absenteeism	403-2	51-53
Hours of training	404-1	54
Supplier CSR assessment (HR criteria)	414-1	39, 58-59
Product information (responsible consumption)	417-1	55-56

— 1.7 REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT

(Year ended on the 31st of March 2022)

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

In our capacity as Statutory Auditor of Remy Cointreau (hereinafter the “entity”), appointed as an independent third party and accredited by Cofrac (Cofrac Inspection Accreditation n°3-1060, whose scope is available at www.cofrac.fr), we conducted our work in order to provide a report expressing a limited assurance conclusion on the historical information (observed and extrapolated) of the consolidated non-financial information statement (hereinafter respectively the “Information” and the “Statement”), prepared in accordance with the Entity's procedures (hereinafter the “Guidelines”), for year ended on the 31st of March 2022, included in the management report pursuant to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

CONCLUSION

Based on the procedures performed, as described in the “Nature and scope of our work” section, and the elements that we have collected, nothing has come to our attention that causes us to believe that the consolidated non-financial information statement is not compliant with the applicable regulatory provisions and that the Information, taken as a whole, are not presented fairly in accordance with the Guidelines.

PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The absence of a generally accepted and commonly used framework or established practices on which to evaluate and measure the Information permits the use of different, but acceptable, measurement techniques that may affect comparability between entities and through time.

Consequently, the Information needs to be read and understood with reference to the Guidelines, significant elements of which are available upon request from the entity's headquarters.

INHERENT LIMITATIONS IN PREPARING THE INFORMATION

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and due to the quality of the external data used. Certain Information are sensitive to the methodological choices, assumptions and/or estimates used to prepare the Information presented in the Statement.

THE ENTITY'S RESPONSIBILITY

The Board of Directors is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- the preparation of the Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of those policies, including key performance indicators and if applicable the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- designing, implementing and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's Guidelines as mentioned above.

RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS AN INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3 and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the “Information”).

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to comment on:

- the entity’s compliance with other applicable legal and regulatory provisions (in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax evasion legislation);
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

REGULATORY PROVISIONS AND PROFESSIONAL STANDARDS APPLICABLE

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code and with the professional guidance of the French Institute of Statutory Auditors (“CNCC”) applicable to such engagements, as well as with ISAE 3000 (Revised) – *Assurance Engagements other than Audits or Reviews of Historical Financial Information*.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of statutory auditors. In addition, we have implemented a system of quality control including documented policies and procedures to ensure the compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

MEANS AND RESOURCES

Our work was carried out by a team of 5 people between March 2022 and June 2022 and took a total of 13 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted about ten interviews with people responsible for preparing the Statement, representing among others, CSR, risk management and human resources.

NATURE AND SCOPE OF OUR WORK

We planned and performed our work considering the risk of material misstatement of the Information.

We consider that the procedures we performed were based on our professional judgment and allowed us to provide a limited level of assurance conclusion:

- we obtained an understanding of all the consolidated entities’ activities, the description of the social and environmental risks associated with their activities;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III, as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified that the Statement presents information set out in article L. 225-105-1 II where relevant to the principal risks;
- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities’ activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes, including key performance indicators related to the principal risks;
- we referred to documentary sources and conducted interviews to:
 - assess the process used to identify and confirm the principal risks and the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendix.

- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L. 233-16, within the limitations set out in the Statement;
- we asked what internal control and risk management procedures the entity has put in place and assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in the appendix, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
 - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out at the consolidating entity and covers between 26% and 65% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional guidance of the French Institute of Statutory Auditors (“CNCC”); a higher level of assurance would have required us to carry out more extensive procedures.

Neuilly-sur-Seine, 24 June 2022

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Olivier Auberty
Partner

Sylvain Lambert
Sustainable Development Partner/Director

APPENDIX: LIST OF THE INFORMATION WE CONSIDERED MOST IMPORTANT

Key performance indicators and other quantitative results:

Main risks (Rémy Cointreau issues)	Sections of the Reference Document dealing with policies, actions and related results reviewed as part of our work.
Employee well-being	<ul style="list-style-type: none"> • Section 1.3.2.1 <i>Including the indicators "Turnover, in %", "Absenteeism, in %", "Workplace accident frequency rate", "Workplace accident severity rate", "Average age, in years", "Seniority, in years"</i>
Non-Discrimination and Internal Social Balance	<ul style="list-style-type: none"> • Section 1.3.2.2 <i>Including the indicators "Male/female manager rate", "Male/female training rate", "Male/female equality index rated out of 100", "Rate of women in the Executive Committee"</i>
Internal training and skills development	<ul style="list-style-type: none"> • Section 1.3.2.3 <i>Including the indicators "Rate of employees receiving at least one training session per year" and "Number of training hours per employee"</i>
Sustainable agriculture	<ul style="list-style-type: none"> • Section 1.3.1.2 <i>Including the indicators "Rate of sustainably managed agricultural land" and "Rate of HVE-certified vineyard land of the Cognac wine cooperative (AFC)"</i>
Preservation of biodiversity	<ul style="list-style-type: none"> • Section 1.3.1.3 <i>Including the indicator "Rate of houses with at least one biodiversity program"</i>
Contribution to the global effort (2°C limit) and sustainability of the company	<ul style="list-style-type: none"> • Section 1.3.3.1 <i>Including the indicators "CO₂ emissions - Scopes 1-2-3, in TeqCO₂ emissions", "CO₂ emission reduction rate - Scopes 1, 2 & 3, in intensity", "CO₂ emission reduction rate - Scopes 1 & 2, in absolute", "Total energy consumption, in MWh", "Renewable energy consumption rate (world)", "Significant CO₂ emission rate - product packaging", "Significant CO₂ emission rate - raw materials" and "CO₂ emission reduction rate - Scope 3, in absolute "</i>
Water management	<ul style="list-style-type: none"> • Section 1.3.3.3 <i>Including the indicators "Water consumption, in m3", "Water consumed, in m3" and "Rate of recovery of distillation vinasse"</i>
Circular economy and reduction of raw material consumption	<ul style="list-style-type: none"> • Section 1.3.3.2 <i>Including the indicators "Rate of products sold without secondary packaging" and "Waste recovery rate"</i>
Customer information (nutritional labelling)	<ul style="list-style-type: none"> • Section 1.3.2.5
Responsible consumption (external)	<ul style="list-style-type: none"> • Section 1.3.2.4
Responsible purchasing	<ul style="list-style-type: none"> • Section 1.3.2.6 <i>Including the indicators "Rate of suppliers who are members of SEDEX and who have answered all the information requested in the self-assessment questionnaire", "Rate of strategic suppliers with an active SEDEX membership" and "Rate of new drums purchased PEFC or FSC certified"</i>
Territorial impact (Sustainable development of the Terroirs)	<ul style="list-style-type: none"> • Section 1.3.2.7 <i>Including the indicator "Rate of sites with at least one action in favor of its territory"</i>
Governance	<ul style="list-style-type: none"> • Section 1.3.4.1 <i>Including the indicator "Number of B Corp certified production sites"</i>
Business ethics	<ul style="list-style-type: none"> • Section 1.3.4.2 <i>Including the indicators "Training rate for the anti-corruption charter" and "Number of alerts".</i>

1



2

GROUP RISKS

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— 2.1 RISK MANAGEMENT AND INTERNAL CONTROL PROCEDURES

GENERAL PRINCIPLES OF RISK MANAGEMENT

For Rémy Cointreau, risk management is an integral part of the responsibilities of the various management teams at the Group level, as well as at the Business Unit and legal entity levels. Some risks inherent to the Group's activities are described in section 2.2 "Risk factors", as well as the policies aimed at preventing and dealing with them.

DEFINITION AND OBJECTIVES OF RISK MANAGEMENT

Risk represents the possible occurrence of an event with a potential impact on people, assets, the environment and the objectives of the Company or its reputation. The definition used in this registration document goes beyond the financial aspects, and covers the reputation of the Group brands and the sustainability of the Company. It is therefore important that all staff and, in particular, management teams are aware of how to manage risk in order to:

- create and preserve the value, assets and reputation of the Group;
- safeguard decision-making and operational processes to ensure that objectives are achieved;
- promote the consistency of the Group's activities with its values;
- promote a shared vision among Group employees of the main risks weighing on their activities.

COMPONENTS OF RISK MANAGEMENT

RISK MANAGEMENT ORGANISATION

The key players are the members of the Group Executive Committee, Business Unit Management Committees and the key market managers. They are responsible for identifying the principal risks in their field or geographic area and the extent of those risks

given their frequency and the scale of the potential impact. They are also responsible for action plans to secure operations.

The information collected is summarised for distribution to all stakeholders. This system can be supplemented by feedback, allowing it to be strengthened virtually in real time.

RISK MANAGEMENT PROCEDURES

Risk management procedures comprise four distinct stages:

1. identification of key risks in all areas. These risks are classified by predefined category and by location to allow for the analysis of either a particular category or a given country;
2. analysis of each risk, leading to an assessment of its importance, allowing risks to be prioritised and ensuring a focus on those risks identified as major;
3. implementation of action plans with the aim of eliminating risks, reducing them to a predetermined acceptable level, transferring them by taking out an insurance policy, or accepting them;
4. monitoring of the process over time by those responsible, who must provide information on their development, particularly during internal audit reviews, to ensure risks are appropriately managed.

The risk management process has helped promote a culture of risk prevention and the sharing of best practices within the Group by the principal players in terms of both action plans and methodology. The result of this process is risk mapping that is regularly updated. It is aimed at identifying the major risks at a particular time, so that these can be reported to the Audit Committee for inclusion in annual internal audit programmes, and at ensuring that insurance policies are relevant, with adequate coverage for the risks identified.

PERMANENT MONITORING OF RISK MANAGEMENT

Risks considered significant are subject to *ad hoc* reviews as part of the audit programmes. The various stakeholders are required to confirm the implementation of action plans provided, reassess their level of tolerance when these actions have been carried out, and advise on the emergence of new risks.

CONNECTION BETWEEN RISK MANAGEMENT AND INTERNAL CONTROL

Risk management and internal control mechanisms complement each other for better control of the Group's activities.

The internal control system relies on the risk management system to identify the key controls to be carried out. In addition, the risk management system is also subject to control to ensure its proper functioning.

GENERAL PRINCIPLES OF INTERNAL CONTROL

DEFINITION AND OBJECTIVES OF INTERNAL CONTROL

The system consists of a set of resources, behavioural patterns, procedures and actions implemented by senior management to enable the Company and its subsidiaries to better control their activities, to make their operations more efficient and to optimise the use of their resources and ensure the proper functioning of risk management. It therefore goes beyond simple procedures or accounting and financial processes.

It aims in particular to ensure:

- the implementation of instructions and guidelines set by senior management;
- the proper functioning of the internal processes of the Company, including those contributing to the safeguarding of its assets;
- compliance with laws and regulations, and with the directives issued by the governing bodies and senior management;
- the reliability of financial information.

Like any control system, it has its limitations and cannot provide an absolute guarantee of achieving the objectives set by the Company. The likelihood of achieving these objectives relies not only on the will of the Company and can be influenced by many other factors, including the uncertainty of the outside world, the exercise of powers of judgement or malfunctions that may occur due to technical or human failure.

COMPONENTS OF INTERNAL CONTROL

Internal control is based on the following main principles:

- the system of **delegation of power** that aims to reflect the Group's genuine decision-making centres, consistent with the size and complexity of Group structures and the various levels of responsibility of each person, which is put in place to increase the effectiveness of the Group's women and men, and to make them aware of their responsibilities;
- the **internal control procedures**, which reiterate the principles and rules applicable to all of the Group's subsidiaries for the main operational cycles identified;

- the **self-assessment questionnaire**, updated regularly, that aims to assess the existence and robustness of the internal control systems at the level of each entity and used for implementing improvement plans. As such, one report per subsidiary is issued and a specific summary for the Executive Committee is prepared;
- the **Internal Audit Charter**, intended for all Group employees, which includes the ethical and methodological operating framework of internal audit.

The effectiveness of these principles is closely linked to the control environment, the five principal components of which are described below.

1. An appropriate and structured organisation

To promote the exchange of best practices and cross-functional control of its operations, the Group has chosen a matrix-type organisation. Functional management provide their expertise to operating management, taking into account their specific local features. For the sake of clarity, regularly updated organisational charts are available on the Group's intranet.

This organisation is enhanced by a human resources policy based on ability, know-how and high standards. The Group is committed to a recruitment policy that improves the professionalism of its staff and attracts talent, and a policy that develops skills that will maintain a high degree of expertise in its workforce.

The organisation is also based on an information system that uses modern, high-performance Enterprise Resource Planning (ERP) solutions (SAP S/4 HANA) to meet the Group's growth ambitions.

Rémy Cointreau's reputation has been built on strong ethical values such as integrity, respect for the law and people, honesty in its relations with customers, suppliers and employees, and social and environmental responsibility, which are transcribed in the Group's code of conduct, updated during this financial year and available internally and externally.

2. Internal distribution system for relevant information

The timely publication and communication of relevant information to everyone within the Group – enabling them to be as well-informed and confident as possible in carrying out their responsibilities – is based on the following three main factors:

- departmental meetings organised on a periodic basis by the Group's various actors, in order to publish and share operational information, exchange points of view, set priorities and co-ordinate action plans;
- technical databases housed within the Group's intranet, which are accessible 24/7 worldwide and which enable the various participants to consult the information necessary for the proper performance of their duties;
- structured databases and information systems, updated on a daily basis, providing the people concerned with relevant and reliable information to enable them to make timely decisions.

3. Risk management

The Group has set up a risk management system to identify, analyse and address the major risks identified in relation to its objectives. This system is described above in the first part of this section.

4. Control procedures

Each Group area or activity has its own reference documentation. It comprises charters, codes, standards, procedures and rules of best practice. These documents set out the manner in which a procedure, action or check must be performed, and are an integral part of the internal control process. They are based on the following key areas of expertise:

- purchasing: supplier relations are regulated by a contract that makes reference to the UN Global Compact. Under such contracts, suppliers are required to adhere to the values of respect for human rights, the environment and fundamental social principles. In addition, the code of ethics for purchasing ensures that best practices are adopted by all Rémy Cointreau purchasers, avoiding, wherever possible, any infraction that may be detrimental to the Group's interests;
- safety and quality: all production standards and rules issued by operating management are held in the databases of each House. Their application is regularly reviewed as part of the ISO 9001, 14001 and 22000 certifications, as well as HACCP accreditations, thereby ensuring best practices;
- IT systems: the IT Systems Security manager coordinates the implementation of security policies and their associated procedures in the entities. In particular, the financial systems considered as critical are subject to a daily backup and hosted in data centres offering full availability guarantees. In addition, business recovery plans are under development and will be tested annually;
- central management of funding and cash: the Foreign Exchange Charter and the Interest Rate Charter set out the principles that must be followed to ensure greater security in this area. These documents are supplemented by a summary of the risks of the

principal processes managed by the Group's Treasury department. The Treasury department is responsible for laying down a policy and reporting procedures for managing credit;

- consolidation of financial statements and reporting: Rémy Cointreau has a set of principles and standards enabling the production of reliable financial information. The comparability of data is guaranteed by the existence of a single set of definitions and principles for valuation purposes and the processing of accounting and financial data for the three processes of budgeting, updating the budget and monthly closings. The calendar for the financial and accounting processes detailing the reporting dates for information and its distribution enables senior management to manage their priorities. In addition, the Chief Executive Officers and Chief Financial Officers of the subsidiaries must send a letter of representation to the Group Chief Executive Officer and Chief Financial Officer, in which they assume responsibility for the fairness of the financial statements and the implementation of an internal control process to detect and prevent fraud and errors.

5. Permanent monitoring

Internal control is implemented by operating and functional departments under the guidance of senior management.

Work is carried out on a regular basis to monitor the proper functioning of their procedures, either by dedicated internal teams or by specialised external organisations, ensuring the effectiveness of the internal control system in place.

The Internal Audit department takes an active part in monitoring internal control procedures, using operating and compliance audits. It ensures the implementation of best practices and compliance with both local laws and regulations, as well as the Group's principles and standards.

The results of this work are disclosed to the Statutory Auditors. Conversely, comments issued by the external auditors as part of their annual assignment are taken into consideration by the Internal Audit department.

SCOPE OF RISK MANAGEMENT AND INTERNAL CONTROL

The internal control system mirrors Rémy Cointreau's matrix organisation and more specifically to the specific features of the subsidiaries and their relationship with the Group.

PERSONS INVOLVED IN RISK MANAGEMENT AND INTERNAL CONTROL

The respective roles of the principal internal and external players involved in internal control are as follows:

SENIOR MANAGEMENT AND THE EXECUTIVE COMMITTEE

The Executive Committee – comprising senior operational and functional managers – lays down guidelines for the internal control and risk management process, defines the roles and responsibilities of the main stakeholders, co-ordinates their implementation and ensures their effective application.

BOARD OF DIRECTORS

The Board of Directors familiarises itself with the essential features of the internal control and risk management process established by senior management, and ensures that the major risks identified and incurred by the Company are taken into account in its management. As such, the Board of Directors is kept informed by the senior management of the main risks facing the Group and the action plans carried out. With respect to the process of preparing accounting and financial information, the Board of Directors ensures that the management and control process that has been established guarantees the reliability of accounting and financial information.

AUDIT COMMITTEE

The Audit Committee ensures that internal control procedures are in place and are applied, both in the accounting and financial fields and other areas of the Company.

It is kept informed of the results of audit assignments and reviews the annual audit schedule together with the organisation of the Internal Audit department.

It keeps abreast of the major risks identified, their analysis and development over time.

INTERNAL AUDIT

Internal Audit – which reports to the Chairman of the Group's Board of Directors – works with all Group entities and, where necessary, with third-party companies in the case of distribution or production subcontracting.

Its work is planned in agreement with senior management and the Audit Committee. Its assignments are identified based on risks

listed in the risk mapping, the economic environment and specific requests from the management of the Group's various entities.

The findings of the audit assignments – following a general debate – are sent to the management of the entity concerned. A summary of the findings, as well as an action plan to which the local entity management is committed, is subsequently presented to the senior management.

Once a year, the Director of Internal Audit presents to the Audit Committee the guidelines of the annual plan, a summary of the achievements made during the previous financial year and a provisional audit plan covering the next three years.

In addition to these audit assignments, the internal audit function is in charge of updating the risk mapping and promoting internal control within the Group. In that respect, it is the recipient of different summary reports on internal control prepared by the various entities, which provide an overview of Group risks.

In order to cover the different types of risks, compliance and insurance management is attached to internal audit.

GROUP FINANCE DEPARTMENT

Its main task is to assist and monitor the operational departments in their financing activities. It establishes the rules for consolidation and management and ensures the definition and promotion of tools, procedures and best practice in areas such as management, accounting and consolidation, funding and treasury, taxation, financial communication and IT systems.

OPERATING DEPARTMENT

It has wide-ranging tasks, combining functions such as the supply chain, purchasing, quality, industrial organisation. It establishes a set of standards and methods for achieving a high level of production quality, as well as safety and respect for the environment. It also supports the subsidiaries in implementing their supply chain and industrial policies in addition to their necessary integration of environmental issues.

LEGAL DEPARTMENT

The Legal department assists Group companies in significant legal matters and in litigation management. It coordinates the introduction of contractual clauses into the various distribution agreements and the legal protection of the Group's brands, intellectual property and other assets.

COMPANY OR DIVISION MANAGEMENT COMMITTEES

These committees are fully involved in the risk management and internal control processes. They are stakeholders in the development and updating of the risk mapping. They analyse the results of self-assessment questionnaires and issue a report on their own internal control, which is then submitted to the Group. They develop action plans in response to the recommendations of the internal audit function. They are also involved in crisis management and the existence of business continuity plans.

THE INTERNAL CONTROL SYSTEM
AS IT RELATES TO THE PREPARATION
OF ACCOUNTING AND FINANCIAL INFORMATION

Our approach is part of a process of continuous improvement of the established internal control system.

The internal control procedures in relation to preparing and processing financial and accounting information apply to the parent company and all of the subsidiaries included in the consolidated financial statements. These are designed to ensure:

- compliance with laws and regulations and the correct application of instructions and directions set by Group management in the preparation of accounting and financial information;
- the reliability of information used in the preparation of financial and accounting information, as well as published information;
- the preservation of assets.

**ACCOUNTING AND FINANCIAL ORGANISATION GUIDANCE
PROCEDURE**

Organisation

The process of preparing financial and accounting information is carried out by the Group Finance department. It supervises the management of the Accounting, Finance and Taxation department, the Management Control department, the Funding and Treasury department, Information Systems department and Financial Communications. Each of these departments co-ordinates internal control in its own area. The system is further enhanced by the presence of financial controllers within each Business Unit.

Financial and accounting procedures

The Finance department has created an intranet portal dedicated to the management principles and accounting standards adopted by the Group and the application of which is mandatory for all subsidiaries.

At every reporting date, the instructions cover key dates in the calendar as well as matters that require specific attention to enable the various Group companies to be well prepared, so that the required information is disclosed within the appropriate timeframe and that the proper checks are carried out in advance of the preparation of financial and accounting information.

In addition, the Group carries out monthly closings. Those before the interim or full-year closing serve as pre-closing reports used to identify and anticipate the different possibilities of treating specific and non-recurring transactions. They are disclosed to the Statutory Auditors for validation at preliminary meetings held when the accounts are closed.

IT systems organisation and security

The Information Systems department has established procedures aimed at ensuring the continuity of accounting data processing. Some hardware has accordingly been duplicated so that the backup can automatically take over in the event of sudden failure.

In respect of data retention and protection, access to accounting and financial data is secured by individually granted rights that are non-transferable, and password protected and job-specific user environments have been set up to ensure task segregation. All data is backed up every day. Batch data processing work is also programmed in a specific sequence, with systems that alert the principal users in case of an incident.

Other automatic control systems have been established, such as thresholds requiring validation, automatic reconciliation and limited access to critical transactions.

The Statutory Auditors

As part of the interim and annual closing of the financial statements, the Statutory Auditors carry out various reviews:

- preliminary reviews, which may focus on the internal control of processes for the preparation of accounting and financial information;
- a limited half-yearly review of all accounting and financial data prepared by Group companies;
- a limited half-yearly review of the consolidated financial statements prepared by the Finance department;
- an annual review of all year-end accounting and financial data prepared by Group companies;
- an annual review of the year-end consolidated financial statements prepared by the Finance department.

This allows the Statutory Auditors to certify the legality, truthfulness and fair presentation of consolidated and Company financial statements. The summary of their work is presented to the Group's Finance department, and to the Audit Committee.

PROCESSES CONTRIBUTING TO THE PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

Operating processes for preparing the financial statements

All the initial accounting production processes are subject to specific procedures as well as validation, authorisation and recognition rules. As such, procurement is carried out within a secured framework, with a list of pre-selected suppliers and previously negotiated terms and conditions. Order forms are required for all purchases exceeding a given threshold, and investment projects approved by the Executive Committee must be duly documented, justified and endorsed before they are implemented.

Closing process and preparation of the consolidated financial statements

The process of closing the financial statements is subject to specific instructions, which provide schedules, exchange rates to be used, consolidation scopes and specific matters to be monitored. These instructions are systematically sent to all Group companies.

Procedures for validating the various stages of the consolidation process have also been established. Their main objective is to validate the following:

- correct application of accounting standards and principles;
- relevance of restatements of certain corporate data;
- identification, reconciliation and elimination of intersegment transactions;
- correct calculation of deferred taxation;
- correct analysis and explanation of movements in shareholders' equity, both at parent company and consolidated levels;
- consistency between management and accounting information.

Financial communication procedure

Financial communication managers draw up a schedule summing up all of the Group's obligations in terms of accounting and financial disclosures. It specifies the nature of the information and the name of the person in charge of its drafting or preparation. Once the information is available, a proofreading procedure assesses its reliability and accuracy, whether the information is of an accounting nature or otherwise. The Legal department ensures compliance with the prevailing laws and regulations in respect of the nature of the information and the mandatory deadlines, and with the principle of providing the same disclosures to all shareholders.

2.2 RISK FACTORS

The main risks to which the Rémy Cointreau Group is exposed, and whose materialisation could have a material adverse effect on its business, results, financial position or outlook, are presented below.

A comprehensive risk assessment exercise was conducted during this 2021/2022 financial year with the help of an external partner and based on a comprehensive understanding of the main risks faced by the Rémy Cointreau Group. This risk analysis focuses on the impact and likelihood of these risks materialising and having repercussions likely to influence the achievement of the strategic plan.

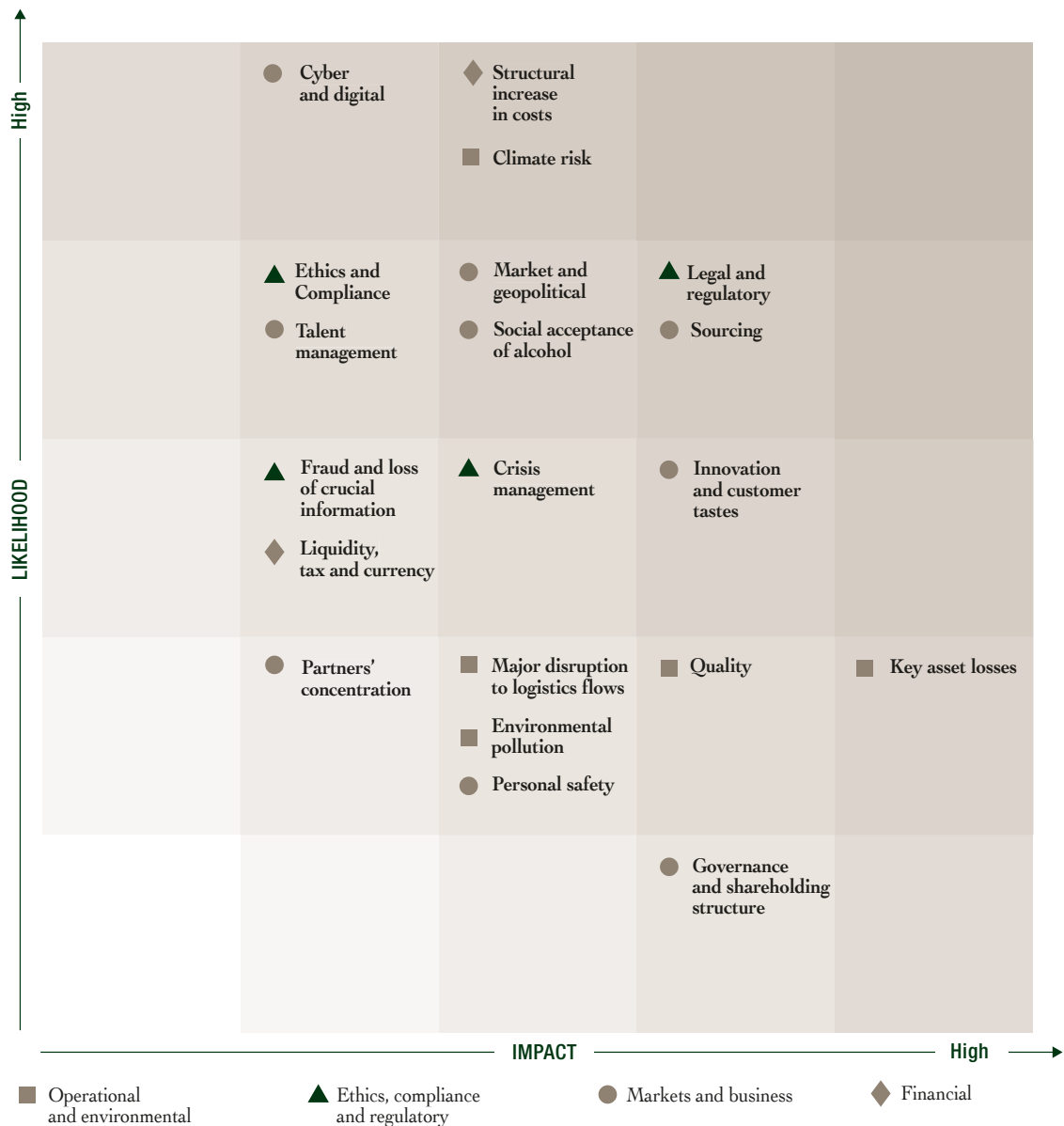
A system for anticipating and managing these risks has been set up and is periodically updated to take into account any regulatory, legislative, economic, societal, geopolitical and competitive changes.

The mapping below ranks the various risks according to their potential impact and likelihood, and represents the Group's exposure, after considering the risk-control measures implemented.

The risks identified are divided into four main categories: market and business risks, operational and environmental risks, ethical and regulatory risks, and financial risks.

In the context of a gradual exit from the health crisis, this mapping exercise is a key element of the risk control and assessment system. These will be updated every year.

This chapter includes a detailed description of these risks, their effects and the measures implemented to manage them.



• Market and business risks	2.2.1.1	Risks associated with innovation and customer tastes
	2.2.1.2	Risks related to the social acceptance of alcohol
	2.2.1.3	Market and geopolitical risk
	2.2.1.4	Sourcing management risk
	2.2.1.5	Dependency risk related to the concentration of our partners
	2.2.1.6	Governance and shareholding risk
	2.2.1.7	Risks related to personal safety
	2.2.1.8	Risks related to talent management
	2.2.1.9	Cyber and digital risks
• Operational and environmental risks	2.2.2.1	Climate risk
	2.2.2.2	Risks of key asset losses
	2.2.2.3	Product quality risk
	2.2.2.4	Environmental risks
	2.2.2.5	Risk of a major disruption to logistics flows
• Ethical, regulatory and compliance risks	2.2.3.1	Crisis management and business continuity
	2.2.3.2	Legal and regulatory risks
	2.2.3.3	Ethics and compliance risks
	2.2.3.4	Risk of fraud
• Financial risks	2.2.4.1	Risk of a structural and sustainable increase in costs
	2.2.4.2	Liquidity, tax and currency risk

2.2.1 MARKET AND BUSINESS RISKS

2.2.1.1 RISKS ASSOCIATED WITH INNOVATION AND CHANGING CUSTOMER TASTES

Risk presentation

Customer preferences and spending habits could change for a whole host of reasons, for example because of the economic climate, demographic and societal trends, public health initiatives and policies, laws on alcoholic beverages and changes in consumer spending and in recreation and going out.

In addition, any inability of the Group to innovate by presenting products that meet customers' new expectations would constitute a risk factor.

Potential impact on the Group

A change in consumer tastes and in particular, a decline in the popularity of cognac, would have a significant impact on the Group's sales and its ability to maintain its current distribution network.

Management and measures implemented

Rémy Cointreau continues to diversify its brand portfolio and develop its product range in order to limit its exposure to a particular brand, category of spirits or market. Portfolio management is a pillar of the Group's strategic plan, as communicated since 2020.

The Group continues to expand its portfolio and, on 16 October 2020, it announced the acquisition of Champagne J. de Telmont, a century-old, artisanal House resolutely committed to organic farming.

The development of the ranges and capacity for innovation of the Houses enable to address the changes in consumer tastes and to be a pioneer in new consumption patterns. Continuous strategic monitoring is also an important factor in the growth strategy.

2.2.1.2 RISKS RELATED TO THE SOCIAL ACCEPTANCE OF ALCOHOL

Risk presentation

The Rémy Cointreau Group endeavours to meet its responsibilities to society. As such, it is keenly aware of its responsibilities with respect to public health. Just as it cares about the quality of its products, it also cares about promoting moderate consumption of its products.

Potential impact on the Group

Any negative effect on the health of its employees and customers by excessive consumption of its products or of alcohol in general may result in:

- stricter regulations on alcohol consumption;
- litigation brought against the Group by employees or customers;
- damage to the reputation of the Group and its brands.

Management and measures implemented

Rémy Cointreau remains involved, together with the industry's major companies and professional associations, in the main joint projects to encourage responsible alcohol consumption across its principal markets. The movement upmarket strategy that is a feature of all of the Group's Houses is also very consistent with the pursuit of higher-quality consumption and the aim of reducing risky consumption. Internally, Rémy Cointreau routinely raises employee awareness of the importance of responsible consumption through training and targeted messaging.

These actions are further detailed in the section on responsible consumption in chapter 1.3.3.1 "Responsible consumption of our products".

2.2.1.3 MARKET AND GEOPOLITICAL RISK

Risk presentation

By virtue of its international presence, the Rémy Cointreau Group is sensitive to market developments, protectionist tensions, armed conflicts, potential trade wars, or the consequences of terrorist acts.

The Brexit situation (since the United Kingdom is one of the Group's principal markets in Europe, as well as a producer country), armed conflicts and the risks of trade war as well as popular uprisings in various countries, are all events creating instability which could affect Rémy Cointreau's business.

Potential impact on the Group

These events could have multiple consequences such as:

- restricted access to certain markets for our brands;
- a significant increase in customs duties;
- overly restrictive entry barriers;
- a fall in consumption and our sales.

Management and measures implemented

In the context of its risk control policy, the Rémy Cointreau Group has set out to diversify its exposure through:

- better distribution of its business among different markets (United States, Europe, China, Asia excl. China, and Africa);
- diversification of its spirits line, developing "limited editions" and highlighting its products' movement upmarket;
- investments aimed at building brands in new high-potential countries or to target larger audiences in markets not yet optimised;
- development of new distribution channels (brand boutiques, e-commerce, and direct sales).

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2.2.1.4 SOURCING MANAGEMENT RISK

Risk presentation

A majority of the Rémy Cointreau Group's production is carried out in-house, in line with its strategy of exceptional products tied to their *terroirs*. Supply security is therefore a critical issue:

- to guarantee continued growth for the Group within the framework of its strategic plan;
- to ensure that its partners apply the same principles of respect for human rights, labour law and the environment.

Potential impact on the Group

A supply disruption in either volume or quality could result in a production breakdown and thus a loss of business.

Moreover, working with partners who do not respect Rémy Cointreau's commitments, as defined in the CSR report, would impair Rémy Cointreau's commitments to its *terroirs* and its customers.

Management and measures implemented

The Rémy Cointreau Group's products are intrinsically tied to their *terroirs*, thereby forging long-term partnerships with producers from these *terroirs*.

Operationally, supplier risk is managed by the Purchasing department, jointly with the Product Development teams. Rémy Cointreau is improving the security of its supplies, implementing a diversification policy to limit its dependency on suppliers, and building up strategic inventories.

The Group enters into special partnerships with its suppliers based on ethics, trust, long-term commitment, and shared values. In the interests of supporting all of its partners in the long term, Rémy Cointreau ensures that they share and respect its social, environmental, and ethical ambitions and commitments. Sedex supplier audits are conducted by the Purchasing department to make sure supplier operations are in compliance with the Group's expectations.

These actions are detailed in chapter 1.3.3.2 "Responsible purchasing".

2.2.1.5 DEPENDENCY RISK RELATED TO THE CONCENTRATION OF OUR PARTNERS

Risk presentation

The Wines & Spirits industry is highly competitive and fragmented. There is a tendency toward concentration among players in distribution and production alike that may impact Rémy Cointreau in a lasting way, thereby creating a situation of dependency that could be harmful with increased pressure on the Group's prices and margins.

Potential impact on the Group

Industry concentration could have an adverse effect on Rémy Cointreau's ability to distribute its brands in all of its markets and to maintain its margin:

- concentration among competitors risks marginalising Rémy Cointreau. There is a risk of it lacking sufficient critical size to be able to negotiate with key partners (such as players in iconic locations in major cities);
- concentration in the distribution sector could also have a negative impact due to the increased bargaining powers of distributors. This also entails the risk of our products being delisted with our partners, either temporarily or permanently and affect our sales prices and conditions.

Management and measures implemented

To protect itself from these risks, the Rémy Cointreau Group is continuing to develop its upmarket strategy. This gives it a unique position within the spirits sector and a presence among leading retailers. In addition, the launch of special projects in partnership with celebrated mixologists strengthens the links with big-name establishments.

The Group is careful never to be legally dependent on third parties in a way which could significantly affect its industrial or commercial operations. The scope of its various contractual commitments complies with international business practices:

- there is no dependence by Rémy Cointreau on customers or exclusive independent distributors, or third-party spirits distribution contracts likely to have a substantial impact on the results, net assets or financial position of the Group;
- in general, contracts signed by Group companies become a part of the Company's ordinary operations and adhere to commitments in line with international business practices;
- no contracts involving obligations or commitments of particular significance for the Group as a whole were concluded with third parties by any Rémy Cointreau company;
- similarly, with regard to suppliers, there is no dependency on a key supplier. More specifically, supplies of cognac *eau-de-vie* are the subject of long-term commitments, thereby reducing the supply risks.

Moreover, the Group continues to invest in and develop its own distribution network, guaranteeing its independence and ability to be present in all of its markets.

Lastly, Rémy Cointreau is seeking to diversify its distribution channels, with very ambitious targets for growth in direct sales and e-commerce.

2.2.1.6 GOVERNANCE AND SHAREHOLDING RISK**Risk presentation**

As a family-owned, listed company, Rémy Cointreau is sensitive to the management of its governance, in particular due to:

- the level of involvement of the shareholding family in the Group's management (or its potential divestment), which could change its profile;
- the potential capital investment of an activist fund;
- a potential takeover bid that could have an impact on the continuity of the strategy.

Potential impact on the Group

Rémy Cointreau's strategy is based on a long-term development outlook (as indicated by its values *Terroirs*, *People*, and *Time*), which could be affected in the event of changes in shareholding. Moreover, over-involvement of the shareholding family could disrupt the Group's governance.

Management and measures implemented

The Hériard Dubreuil family, a historic shareholder in Rémy Cointreau, reasserts and demonstrates its involvement in the Group, whose strategic ambition is to become the global leader in exceptional spirits. Moreover, a stable and committed shareholder base over the long term is a strategic advantage for a portfolio of hundred-year-old brands with a long ageing process. In addition, the bonds between the Rémy Cointreau Group and Andromède, a company of the Hériard Dubreuil family, are defined and framed in a service provision agreement. Under this agreement, Andromède provides Rémy Cointreau with support services in strategy and finance management, institutional and commercial relations, development and external growth, and the organisation and oversight of senior management.

2.2.1.7 RISKS RELATED TO PERSONAL SAFETY**Risk presentation**

The Rémy Cointreau Group is intent on respecting personal safety regulations and is also vigilant about the safety and health of people of both its employees and its customers at all times.

The factors identified by the Rémy Cointreau Group that may jeopardise the safety of its employees and customers include:

- occupational illness or psycho-social risks;
- the risk of accidents during travel in some markets;
- the risks associated with using certain machines;
- the risks associated with excessive alcohol consumption;
- the risks related to a pandemic similar to Covid-19.

Potential impact on the Group

Any harm to the health and safety of its employees and customers would have significant consequences for the Group, whether:

- reputational impact, related to the fallout from an accident;
- legal impact, due to litigation which could have significant financial consequences;
- loss of employee motivation.

Management and measures implemented

Rémy Cointreau has always been committed to procedures aimed at continuously improving the safety of its employees and reducing the number of workplace accidents.

First, the Group's production sites undergo independent audits resulting in action plans that are reviewed each year. Our insurers are closely involved in these measures in order to assess their effectiveness.

In addition, Rémy Cointreau has taken out a contract with an international traveller safety expert to ensure its employees' safety during business travel.

The Group's people are also routinely educated on the importance of responsible consumption, through specific training programmes and the implementation and circulation of strict rules for those in contact with points of sale.

Lastly, during the Covid-19 pandemic, Rémy Cointreau's top priority has been to ensure the safety of its employees. Accordingly, the Group has implemented strict protocols across all its sites, adapted to local health situations and rules: hygiene measures, organisation of teleworking, working environments and work time. Inter-site and intra-site crisis committees have been set up as well as the organisation of routine communication. Psychological assistance has also been introduced to help employees experiencing difficulties.

2.2.1.8 RISKS RELATED TO TALENT MANAGEMENT

Risk presentation

The reputation and success of Rémy Cointreau are built on the know-how of its talents, experts, cellar masters and the skills of its teams. Attracting, developing, and retaining top talent while allowing certain rare or in-demand skills to be passed on is an ongoing challenge.

Potential impact on the Group

Any loss in talent or know-how, or an inability to attract or find new talent, would have implications for the sustainability of certain kinds of knowledge and expertise, as well as for the well-being of our teams (loss of motivation, weaker investment in projects) and therefore on the Rémy Cointreau Group's ability to achieve its goals.

Management and measures implemented

Rémy Cointreau's Human Resources Department has set up a number of measures:

- a training plan offers employees various modules on the Group's brands and functions, or aimed at supporting individual and professional development;
- the Talent department is tasked with attracting new talent but also identifying and fostering existing talent within the Group;
- internal and external mobility is promoted, giving employees the option of developing abroad or in another function;
- as part of its well-being at work policy, teleworking (both regular and occasional) has been set up;
- as a family-owned Group, Rémy Cointreau wants to retain its employees and involve them in the Company over the long term. As such it has established various incentive measures: incentives, profit-sharing and supplementary pension schemes, etc.;
- a first employee shareholding plan was set up during the 2021/2022 financial year for French entities to begin with, with the intention of extending the system internationally thereafter.

2.2.1.9 CYBER AND DIGITAL RISKS

Risk presentation

IT risks consist of data loss, corruption or breach (commercial, production or financial), the inability to operate effectively due to a technical fault, system intrusion or hacking and attacks against the digital platforms of the Rémy Cointreau Group. This complete or partial unavailability may be the result of external attacks such as malware or ransomware (targeting both production and support IT, as well as digital platforms and CRM) or internal attacks (malicious employees).

Cybercrime is the main cyber threat for companies, with a very alarming increase in ransomware attacks in recent months.

In addition, changes in practices and technologies, with the increased use of remote working due to Covid or the use of cloud solutions, significantly increase cybersecurity risks.

Potential impact on the Group

The Rémy Cointreau Group's processes are based on the extensive use of IT systems. As such, they are exposed to the risk of failure of the Group's IT systems and the network infrastructure used. The processes concerned could be significantly interrupted or sensitive data could be lost or corrupted if these systems were to become totally or partially unavailable.

Management and measures implemented

A dedicated team, headed up by an IT Systems Security manager within the Information Systems department and with strong support from senior management, has been tasked with implementing appropriate tools and processes since 2015. These have recently been significantly stepped up and are constantly being adapted.

In particular, Rémy Cointreau has an external Security Operation Centre and the latest technology designed to protect its network, servers, user workstations and Cloud applications and to prevent hacking (anti-virus, anti-spam, web filtering, remote access).

In addition, business recovery plans have been developed or are under development and crisis management exercises are organised. Training and regular reminders are also provided internally to raise the awareness of all Rémy Cointreau Group employees to these different threats.

Lastly, permanent monitoring, regular discussions with other peers and risk quantification exercises enable to maintain a very high level of vigilance within the organisations.

Lastly, the Group continues to renew specific insurance covering a major risk of cyberattack and its direct or indirect consequences.

2.2.2 OPERATIONAL AND ENVIRONMENTAL RISKS

2.2.2.1 CLIMATE RISK

Risk presentation

The Rémy Cointreau Group's spirits are produced on their own specific *terroirs*. These are subject to seasonal vagaries such as drought, hail, and frost, as well as longer-term climate changes like global warming.

Potential impact on the Group

Depending on their type, weather events can have various impacts:

- seasonal climatic hazards: a strong climatic hazard like heavy frost, hailstorm, overly dry summer, or lack of precipitation can impact the production of the raw materials the Group needs. Whether a sharp drop in yield or greatly diminished harvest quality, these would inevitably have an impact on future sales;
- climate change: this long-term phenomenon can have a major impact on the Group's activity. Indeed, a substantial change, specifically warming, may change the crop map and impact the product-*terroir* link that is a building block in the identity of the Rémy Cointreau Group's products.

Management and measures implemented

Rémy Cointreau is committed to an active environmental conservation and protection policy in order to minimise its impact. Moreover, the Group operates a dynamic management of its supplies, enabling it to minimise the climatic hazards on its harvests. Our teams are therefore committed to medium- and long-term actions to ensure the quality and sustainability of the Houses' supplies. These actions are detailed in chapter 1.3.2.3 ("Adapting to climate change").

Rémy Cointreau is also involved in the security of its premises, by taking into account the risks associated with climatic hazards when choosing the location and design of its premises. Lastly, in the context of its risk management policy, as described in chapter 2.3 "Insurance", the Group has taken out a policy covering hail and frost that may affect our Cognac vineyards.

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2.2.2.2 RISKS OF KEY ASSET LOSSES

Risk presentation

Rémy Cointreau's main assets are its brands, employees, sites and inventories.

The Group is particularly sensitive to any event that could affect one of its brands, jeopardise the health of our employees, or deteriorate some of its assets, be they buildings or inventories.

Potential impact on the Group

Because our cognacs, whiskies and rum are aged for long periods, we maintain an important inventory of products that are aged and reach maturity in our various cellars, located on sites specific to each brand. The loss of a high volume of aged inventories – due to fire, another natural or human-made disaster, contamination, or other cause – could considerably reduce supply of the product(s) in question. A consequence of these disruptions, or other breaks in the supply chain, could prevent us from meeting customer demand for a period of time. Insurance claims might not be sufficient to cover the replacement value of inventory of products reaching maturity or other assets, should they be lost. Disaster recovery plans might not prevent a disruption in operations, and rebuilding damaged facilities could take considerable time.

Any loss impacting our employees could result in the loss of skills and disrupt our production over a shorter or longer period.

Management and measures implemented

To manage this risk, the Rémy Cointreau Group has rolled out a set of measures, carried out jointly by the Operating department and the Insurance department.

Preventive measures have been defined and put in place, particularly at production sites. They undergo regular external audits by our insurers' prevention engineers. These measures include facilities design and maintenance, team training and formalised operating procedures.

Rémy Cointreau has also established protection and control systems to control the quality of its products and limit the potential risk of product contamination.

Significant and permanent investments to strengthen the security of the Group's assets are planned in the provisional plans, in particular for sprinkler systems at our various sites.

Lastly, to ensure the safety of its employees, the Group has enhanced personal safety measures on its sites and formed a partnership with an international security expert to cover its employees during business travel. In addition, the purpose of the Group Talent department is to identify rare skills and prepare succession plans. At present, a succession plan is in place for each of the key positions.

2.2.2.3 PRODUCT QUALITY RISK

Risk presentation

Rémy Cointreau Group's brands are known and recognised for their high-end quality, owing in particular to the raw materials used, the expertise of its craftsmen and winemakers, and respect for the local region or *terroirs* they come from.

Potential impact on the Group

Any deterioration in product quality, taste or presentation (bottles, packaging) could have a significant adverse effect on clients, and deter them from buying the Group's products and brands in future.

Similarly, any severe defects in the liquid product could endanger the health of consumers and permanently affect the reputation of the Rémy Cointreau Group and its brands.

Management and measures implemented

To minimise this risk, Rémy Cointreau has introduced various measures and has undertaken to abide by strict principles. These include respect for the local region and the production and fabrication process of its spirits, as well as selecting the best ingredients and craftsmanship.

The introduction of strict quality control at all stages of the production and distribution process also ensures that customers are guaranteed a unique experience when enjoying the Group's products.

Rémy Cointreau has also rolled out a training programme to identify and respond appropriately to the needs of each member of staff. As a result, each employee has the necessary expertise and know-how to achieve the level of excellence required by the Group.

Finally, because its products are traceable, the Group is able to withdraw from the distribution network any bottles that could be affected by a quality issue.

2.2.2.4 ENVIRONMENTAL RISKS

Risk presentation

Working with natural products, Rémy Cointreau Group is particularly mindful of the issue of environmental protection, as well as the safety of its employees and production sites.

Potential impact on the Group

Any incident affecting the areas in which the vital ingredients for the Group's products are grown – be it cognac vines for cognac *eaux-de-vie*, barley and herbs on Islay for Bruichladdich whisky and The Botanist gin, Barbados sugar cane for Mount Gay rum, or orange peel for Cointreau – would have implications for the Group's ability not only to manufacture its products, but to guarantee their quality.

The same applies to the Group's industrial sites, the safety of its employees and the distillation, bottling and shipping process.

Management and measures implemented

The management of industrial and environmental risks, as well as product related risks, is principally handled by the Quality, Safety, and Environment departments working at each Group site, under the ultimate responsibility of the Group Executive Vice President Operations.

Safety/Environment audits are carried out at production sites by personnel and certified external auditors, leading to action plans which are monitored by quarterly Committee meetings.

- Due to the Group's activities, its main production sites in France are subject to local authority licensing. The Cognac site is classified as *Seveso Seuil Haut* (high threshold) on account of the quantities of *eaux-de-vie* stored there. The site is subject to a comprehensive Safety Management System (SMS).
- The Cognac and Angers sites are ISO 14001 certified. This certification is validated by annual follow-up audits. These audits did not reveal any anomalies. Indicators used by ISO 14001 certification have also been rolled out to other Group sites.
- The Mount Gay Distillery bottling site is ISO 9000 certified.

In general, regulatory compliance of sites is an ongoing concern and close relationships are maintained with all the administrations involved. In addition, significant training is provided to the employees and to external providers who work on the sites.

In terms of product risks, the Group refers to the HACCP standard (Hazard Analysis of Critical Control Point), an international method for implementing a system that guarantees the hygiene of food designated for consumers, as well as the internationally recognised ISO 22000 standard for certification of production sites' HACCP plans.

All the certifications of the production sites are presented in chapter 1.3.4.1 "Governance".

2.2.2.5 RISK OF A MAJOR DISRUPTION TO LOGISTICS FLOWS

Risk presentation

Very heavily dependent on exported volumes, the context of the Covid-19 health crisis has led to previously unrecognised tensions on global logistics flows, resulting in blockages, significant additional costs, capacity reductions and extension of delivery times around the world.

Measures to reduce the carbon footprint are strong in terms of transport and may increase tensions in this area and potentially extend our time to reach the end consumer.

Potential impact on the Group

Strong tensions on capacity or logistics costs could have a significant impact on Rémy Cointreau's distribution or on reaching certain markets or distribution channels.

Management and measures implemented

Wholly dependent on external transport partners, Rémy Cointreau endeavours in this area to call on a large panel of service providers, who are regularly questioned about their capacities and prospects.

The management of this risk is based on permanent monitoring of the most optimal solutions according to the planned flows.

Sales planning, collaborative work between the sales, operational, logistics and financial teams is closely monitored and analysed, enabling responsiveness to any operational deviations or unforeseen events, and thus strong anticipation of flows.

Rémy Cointreau has initiated the exploration of alternative transport flows such as trains or sail boats, making it possible to test new solutions even if still limited at this stage.

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2.2.3 ETHICAL, REGULATORY AND COMPLIANCE RISKS

2.2.3.1 CRISIS MANAGEMENT AND BUSINESS CONTINUITY

Risk presentation

The Rémy Cointreau Group, through its presence in numerous markets and its production process, is exposed to risks of various kinds (health, natural disasters, industrial and economic disasters) that may have a significant effect on Group's business and its ability to recover rapidly.

Potential impact on the Group

A natural disaster causing the destruction of the production sites, a global health crisis, such as a long-lasting pandemic, a political crisis resulting in the closure of borders or any other event disrupting the activity could have material impacts on the sales of the Group. In addition, poor preparation and anticipation would affect its ability to resume activity quickly and efficiently.

For example, the Covid-19 global pandemic resulted in a total shutdown of the Group's production sites during several weeks in the first half of 2020 as well as the closure of on-trade points of sale for variable periods of time depending on the various markets and a decline in air freight which affected travel retail.

Management and measures implemented

The safety and sustainability of all of the Group's assets: human, tangible, intangible, and know-how, are the top priorities.

The Group's production sites have established business continuity plans. In particular, the cellars located in the Cognac region, which house the majority of Rémy Cointreau's assets, are classified as Seveso high-threshold under the authorisation regime and have defined formalised business continuity plans that are shared with insurers and local authorities, as well as a safety management system.

The Rémy Cointreau Group has also a crisis management operations handbook and, following each event, it conducts a feedback exercise to identify what might have been managed more effectively.

2.2.3.2 LEGAL AND REGULATORY RISKS

Risk presentation

The Rémy Cointreau Group has a global presence and, as such, is subject to a legal framework that is constantly changing and specific to each market. For example, the production and sales operations of Group products are subject to regulations in France and abroad, which vary depending on each country, particularly with respect to the production, packaging, marketing and advertising of these products, as well as public health, product recall, labelling, and promotions.

Moreover, the Rémy Cointreau Group attaches particular importance to the legal protection of its assets and of its trade relations in France and around the world. This also involves:

- its intellectual property rights, particularly of its brands, which are a major asset in its business;
- its distribution contracts;
- its supplier relationships;
- litigation with customers or government authorities.

Potential impact on the Group

These regulations and their developments can have a strong impact on the Group's ability to do business:

- advertising and promotion: to amend consumer behaviours and reduce alcohol consumption, the various authorities may impose restrictions or even limit alcohol advertising. An example of this is the Évin law in France. A limited campaign would hinder Rémy Cointreau in its efforts to introduce its brands and retain customers;
- labelling: in addition to the restrictions of the legal notices, strong labelling, similar to that carried out in the tobacco industry, could drive customers away from spirits, thereby reducing sales;
- distribution channels: regulatory changes in distribution could restrict Rémy Cointreau's ability to distribute its products or conduct promotional campaigns;
- brand protection: the brands of the Rémy Cointreau Group could be imitated, counterfeited or registered by third parties in violation of its rights. The Group could then encounter difficulties in protecting its brands in certain countries or reassuring consumers who might be misled into thinking that they are buying the Group's products;
- contracts: a lack of contract formalisation in its trade relationships, with suppliers and customers alike;
- litigation: any major litigation could have significant consequences on the Group (financial, reputational) or its brands and products.

Management and measures implemented

In order to have an influence on these regulations and their developments, the Rémy Cointreau Group belongs to many professional groups so that it can promote its positions and its interests both with other industry players and with administrative authorities.

An integrated Legal department permanently manages the Group's legal affairs. It carries out preventative checks on all the legal risks, both internal and external, that may affect the achievement of the Rémy Cointreau's objectives. If necessary, the team can request the assistance of international lawyers recognised for their expertise in specific areas of business law.

The Legal department strives to only initiate litigation if all possibilities of reaching out-of-court settlements have proved unsuccessful. To defend its interests, Rémy Cointreau takes a position on these risk factors, in particular:

- by committing to communicate through responsible campaigns that do not target "young and at-risk" customers, and working to make sure sensible advertising of spirits is always a reality;
- by raising awareness among customers of the dangers of excessive consumption in its communication;
- by collaborating with the various authorities for the design of labelling;
- brand protection: Rémy Cointreau has an active policy of monitoring its trademark and domain name registration, in each category and market, either directly, using in-house legal specialists to implement modern brand management practices, or through world-renowned intellectual property advisers;
- to prevent counterfeiting, by taking every action necessary to tackle counterfeiting, particularly in Asia and Eastern Europe, against any unfair competition, and by opposing any registration of trademarks by third parties whenever it considers that a trademark application infringes its property rights. Within the Legal department, a specialist lawyer is devoted to protecting the Group's Liqueurs & Spirits brand portfolio. Similarly, a manager is dedicated to protecting the Rémy Martin brand portfolio. To fight against counterfeiting, they ensure the follow up of the report on any counterfeiting of the Group's brands, together with professional bodies, distributors, Sales departments, customs authorities, the Corporate Relations department and government expert agencies. They take every step they deem relevant to oppose the registration of counterfeit trademarks by third parties across the globe. They carry out and manage the litigation proceedings they deem necessary worldwide, with the support of specialised advisers;
- litigation management: in the event of procedures relating to trademark law, the protection of intellectual property rights, the protection of its distribution network, relations with employees and the control of its tax declarations and all other matters inherent in its activities, Rémy Cointreau calls on the services of first-rate lawyers in order to build defence and provisions, when necessary, the amounts related to these risks and litigation.

2.2.3.3 ETHICS AND COMPLIANCE RISKS

Risk presentation

The Group has a global business and is therefore subject to a raft of laws and regulations, including various regulations on anti-corruption (Sapin II law in France, FCPA in the USA, UKBA in the United Kingdom) and data protection (GDPR, CCPA in California, etc.), as well as the principles enshrined in the Global Compact.

Potential impact on the Group

The risk that the Group fails to comply with one of these regulations, or that one of its employees does not follow the rules contained in the Group code of conduct, could expose Rémy Cointreau to various sanctions.

The impacts of these sanctions may be numerous: financial, reputational, psychological for our employees, and even the loss of our appeal to job seekers.

Management and measures implemented

To ensure compliance, the Group has put in place the appropriate action plans (as described in section 2.4 “Ethics and compliance”).

To prevent corruption, the Group conducted a risk mapping exercise which resulted in the roll out of local action plans, and implements the other anti-corruption measures provided for in the Sapin II law. A code of conduct has been drawn up and specific training modules are provided to Group employees. Lastly, an ethics whistleblowing hotline, accessible both internally and externally has been set up.

Regarding data protection, the Group is pursuing its plan for compliance with GDPR, as well as with the various foreign regulations that govern its operations (particularly in China and in the US). The compliance plan is based in particular on data protection policies, internal data management procedures and impact analysis, the use of standard contractual clauses, and lastly, appropriate training for all members of staff.

Lastly, permanent monitoring is being carried out to prepare for new regulations.

2.2.3.4 RISK OF FRAUD

Risk presentation

Rémy Cointreau distributes its products in the principal markets of the globe and has an excellent reputation and very strong brand recognition. In this environment, the Group could be a prime target for numerous fraud attempts, both in France and internationally.

Attempted fraud can come in many forms:

- external fraud, be it impersonation scams involving the President of the Company, supplier impersonations or cyber-attacks either with the aim of stealing confidential data or extortion attempts using ransomware;
- internal fraud by an employee, through theft or collusion with a third party.

Potential impact on the Group

No matter what form the fraud takes (theft, cyber-extortion, embezzlement), it can result in financial losses that are:

- direct, through the fraud perpetrated;
- indirect, in connection with the costs of managing the fraud (consulting fees and legal fees).

Fraud can also result in the theft of confidential information or personal data.

Lastly, the reputational aspect should also be taken into account when assessing potential impact.

Management and measures implemented

Aware of the growing importance of this risk, Rémy Cointreau has implemented a range of measures and controls. These include:

- raising awareness and training employees for these risks;
- strengthening key procedures;
- improving cooperation with partner banks in the securing of transactions;
- deploying specific IT tools against “cyber” risks.

More specifically, concerning the risk of “internal” fraud, Rémy Cointreau stepped up its procedures for third party control and validation and the segregation of duties. Routine communication and specific training courses are organised, including strict reminders of the principles of integrity.

Although these measures cannot fully eliminate the risk of fraud, they do provide reasonable protection.

2.2.4 FINANCIAL RISKS

2.2.4.1 RISK OF A STRUCTURAL AND SUSTAINABLE INCREASE IN COSTS

Risk presentation

Rémy Cointreau is heavily exposed to external purchases for the production of its exceptional products (*eaux-de-vie*, glass, packaging, energy, labour, etc.). The Group is thus exposed to inflationary pressures such as those observed following the Covid health crisis or during international tensions.

Potential impact on the Group

Additional costs or structural increases in production costs are likely to weigh on the Group's profitability and the maintenance of its margins. Strong pressure on demand may adversely impact relationships with key suppliers for specific purchases for which production capacities are reduced.

Management and measures implemented

This relatively recent risk is covered by a range of measures aimed at reducing situations of excessive dependency and permanent plans to identify projects to contain them have been put in place:

- frequent calls for tenders and precise analysis of purchasing categories;
 - implementation of supply contracts with strategic suppliers;
 - regular rotation of purchasing teams by category;
 - various projects to reduce the weight of glass and packaging as part of our CSR ambitions;
 - regular questions about atypical formats or more expensive products;
 - ongoing efforts to improve demand planning and related production plans.
-

2.2.4.2 LIQUIDITY, TAX AND CURRENCY RISK**Risk presentation**

Rémy Cointreau's results are sensitive to fluctuations in exchange rates, as the Group realises about 80% of its sales in currencies other than the euro, whereas most of the production is within the euro zone.

The majority of the Group's activities are characterised by high levels of capital employed, particularly inventories undergoing ageing, which involves substantial financing requirements over the long term.

Finally, due to its international presence, Rémy Cointreau is exposed to financial risks linked to the development, complexity, and interpretation of tax regulations in the countries in which it operates.

Potential impact on the Group

Unfavourable currency fluctuations can generate financial losses. Any change in the Group's financing structure might impact the Group's earnings as well as its ability to finance itself over the long term.

The changes in tax regulations and the increasing burden of direct and indirect taxation on spirits in particular (excise duties, customs duties, etc.) could negatively affect its earnings.

Management and measures implemented

The currency risk is hedged so as to minimise and anticipate the impact of currency fluctuations on the Rémy Cointreau Group's earnings.

The Group's foreign exchange policy is founded on the following management principles:

- distribution subsidiaries are billed in their own currency, based on an annual exchange rate set in euro;
- the currency risk is hedged by Financière Rémy Cointreau on a yearly basis, calculated on the Group's net positions;
- no speculation is authorised;
- these hedges are performed with firm and/or optional currency transactions eligible for hedge accounting;
- other non-operating transactions are hedged against the currency risk once their commitment is firm and final. These include financial risks generated by intra-Group loan transactions and dividends in foreign currencies.

Rémy Cointreau continuously monitors the balance of its financial structure, prioritises long-term resources and combines fixed-rate and variable-rate resources. Refinancing is systematically prepared for those resources reaching maturity. The Group obtains its financing from leading financial institutions.

The availability of some financing is contingent upon the level of the so-called A ratio (Average net debt/EBITDA), which is calculated twice per year and must be below 3.50 for the bond private placement and less than 4.0 for the new syndicated credit. The Group has introduced forecasting procedures in relation to net debt and other key indicators such as cash generation and ROCE (return on capital employed) which involve all divisions in the optimisation of the financial structure of activities and compliance with the A ratio.

Lastly, the Rémy Cointreau Group keeps a regulatory watch and sets its tax policy by relying on a team of tax specialists that reports to the Finance department. The Group is committed to following all tax regulations in the countries in which it operates; its tax policy is not based on any tax-evasion scheme and is compliant with the principles laid down by the OECD.

— 2.3 INSURANCE

The Rémy Cointreau Group has implemented a risk management policy that includes:

- risk prevention at industrial and storage sites and employee safety;
- identification of its risk exposure;
- implementation of business continuity plans;
- optimisation, coordination and pooling of its insurance policies.

The main insurance policies are integrated under international insurance programmes covering the various risks identified, such as general civil liability, withdrawal of delivered products, damage to property and consequent operating losses and transport of goods. Local insurance policies can also be subscribed to meet regulatory requirements and the specific needs of the subsidiaries (e.g. vineyard insurance, auto fleets, etc.).

Insurance type	Coverage and limits of the various policies subscribed
Property damage and business interruption	<p>This coverage is presented as "All Risks Except".</p> <p>Basis for compensation</p> <ul style="list-style-type: none"> • Replacement value for movable or immovable assets. • Wine and spirits: market replacement value and net book value based on type of inventories. • Operating losses with a compensation period of 24 months. <p>Contractual claim limit</p> <p>A contractual claim limit of €850 million was negotiated for property damage and business interruption combined.</p>
General liability (operations and products)	<p>This policy covers the Rémy Cointreau Group for all physical, material and immaterial damage caused to third parties for €100 million.</p>
Contamination and brand image	<p>This plan is supplemental to the general liability coverage subscribed and covers the product cost, the costs of restoring the brand image, operating losses, and the contamination and any deterioration of the product.</p> <p>Coverage of €15 million per policy year.</p>
General liability Environmental damage	<p>Coverage of €10 million per policy year.</p>
Transport	<p>Coverage of €10 million per claim.</p>
General liability – corporate officers	<p>Coverage of €50 million per policy year.</p>
Fraud and cyber	<p>Coverage of €15 million for fraud and of €15 million for cyber per policy year.</p>
Credit	<p>Coverage of each customer's outstanding balance, up to a limit set per customer by the insurer.</p>

— 2.4 ETHICS AND COMPLIANCE

2.4.1 COMMITMENTS

The Rémy Cointreau Group's ethical approach is based on the universal framework of overarching international principles, standards and agreements and governed primarily by:

- the Universal Declaration of Human Rights;
- the International Labour Organization's Charter of Fundamental Rights, which covers in particular the freedom of association, forced labour, child labour and discrimination;
- sustainable development goals as established by the United Nations;
- the Ten Principles of the Global Compact to which Rémy Cointreau has subscribed since 2003;
- the European Union Charter of Fundamental Rights;
- the principles established by the GRI;
- the OECD's guiding principles;
- the OECD's Convention on Combating Bribery of Public Officials.

The Rémy Cointreau Group and its employees are committed to comply with the applicable laws and regulations in all countries where they present and operate an activity.

CODE OF CONDUCT

The Group's values are formalised in a code of conduct, signed by the Chief Executive Officer and distributed to all employees, as well as to new employees upon joining the Group. It is the foundation of the culture of integrity and ethical behaviour of Rémy Cointreau Group Houses and its purpose is to provide guidance to the Rémy Cointreau Group, its Houses and its employees about how to behave and comply with the key principles governing relations between stakeholders and the Company. It also aims to promote compliance and to ensure that laws, applicable regulations and fundamental major principles are properly implemented.

The code of conduct is also designed to encourage and motivate Rémy Cointreau Group employees to communicate and seek answers about how to behave in particular situations.

The code of conduct describes the types of behaviour to be avoided and details the commitment of the Group and its governing bodies to the fight against corruption. It lays down Rémy Cointreau's guiding principles on a number of operational topics and addresses the following topics:

- corruption and influence peddling offenses;
- prohibition of facilitation payments;
- rules on gifts and invitations;
- rules on donations, philanthropy and sponsorship;
- prevention of conflicts of interest;
- the whistleblowing system with the ethics hotline;
- interactions with public officials.

This code may be supplemented on a local basis by other procedures. This code is included in the internal regulations.

In addition, a certain number of values surround the conduct of business within the Rémy Cointreau Group:

Business values and responsibilities

The values guiding Rémy Cointreau Group, its Houses and its employees in their business behaviour are:

- **compliance with the laws and regulations** in force in the countries where the Group operates, with Rémy Cointreau complying with its legal and tax obligations;
- **the fight against corruption**, Rémy Cointreau condemns corruption in all its forms, including bribery. The Rémy Cointreau Group believes that such behaviours are to the detriment of the countries in which it operates. The men and women of the Houses must demonstrate their integrity, particularly by refusing any gift, the value of which might contravene the Group's ethics.

Values and responsibilities towards others

Relations within the Rémy Cointreau Group are characterised by a duty of mutual respect between women and men who contribute with integrity to the corporate project and to the Company itself. Every day, the Houses of the Group undertake to respect and promote the following values: trust, acting as an example, excellence, high standards, appreciation, respect and discretion. These values are represented in the following initiatives:

- **respect for the environment**: the Rémy Cointreau Group is committed to serving its customers, while accepting its environmental responsibilities and it therefore makes protecting the environment a key area of its strategic focus;
- **commitment to its employees**: the Rémy Cointreau Group wants all of its employees to work in the best possible conditions and is committed to offering a healthy and safe workplace. The Rémy Cointreau Group is a long-term partner, supporting them in their development and fostering relationships based on trust and respect;
- **a firm commitment to the Group's clients and consumers**: the men and women in Rémy Cointreau's Houses must ensure that the Group honours its commitments towards its consumers and customers. Quality, health security, service and integrity must be their principal concerns in their daily work;
- **Rémy Cointreau Group's relations with its suppliers**: for the Rémy Cointreau Group, supplier relations is much more than a simple act of purchasing and the Group is committed to a sustainable partnership approach. Following the ratification of the Global Compact, the Group undertook to involve its suppliers in its social and environmental commitments, to ensure their involvement and to support them in improving their processes.

Employees' values and responsibilities towards the business and society

Among the values shared by the Rémy Cointreau Group and its employees, those of probity, integrity and confidentiality can be seen in the following commitments:

- **protecting the reputation of the Group and its Houses:** the women and men of the Rémy Cointreau Group represent the image and reputation of its Houses and have a responsibility to protect them;
- **relations between the Rémy Cointreau Group and its shareholders:** the women and men of the Rémy Cointreau Group have a responsibility to protect information relating to the Group's Houses. This confidential information must never be disclosed except within the strict framework of the Group's

rules. The Rémy Cointreau Group also wishes to share with its shareholders, without distinction and respecting shareholder equality, its long-term strategy and values as well as the outcome of the development of the business;

- **preserving the Group's assets and resources:** the Rémy Cointreau Group is committed to developing its business and its income, protecting its assets, ensuring that governance is in line with best practice and transparently reporting on the Group's activities. The women and men of the Group's Houses must also manage the Group's assets and resources with the highest level of integrity;
- **high "terroir-related" standards:** this can be identified through the quality and authenticity of our products: high standards in terms of raw materials and respect for the *terroir* of origin.

2.4.2 ORGANISATION

COMPLIANCE DEPARTMENT

The Compliance department has been placed under the responsibility of the Internal Audit and Insurance department, which became the Internal Audit, Compliance and Insurance department on 1 September 2017. It is responsible for identifying, assessing and managing the risks to which the Rémy Cointreau Group is exposed, and for verifying compliance with different legislation and regulations, while ensuring that compliance programmes are implemented and updated in close cooperation with the Group's different departments.

The Audit, Compliance and Insurance Director reports to the Chairman of the Board of Directors and to the Audit Committee and works in close cooperation with the Group Chief Executive Officer and the Executive Committee.

Since 2021, the internal audit missions carried out by the team systematically include a comprehensive review of the anti-corruption and personal data protection aspects of the audited entities or BUs. The findings of compliance are fully included in the reports of the missions as well as in their follow-up action plan.

NETWORK OF COMPLIANCE OFFICERS IN THE GROUP

The compliance and legal teams located in Paris and abroad, in particular in the United States, China and in Singapore, make up the network of "compliance" officers, working closely with the Internal Audit, Compliance and Insurance department and the Data Protection Officer, in order to roll out and adapt, on a local scale, compliance programmes within the Group on issues related to the fight against corruption and personal data protection.

DATA PROTECTION OFFICER

A Data Protection Officer has been appointed who is responsible for coordinating compliance with the General Data Protection Regulations and, more generally, to handle personal data-related issues. The Data Protection Officer is the principal point of contact for interested parties and for the authorities responsible for protecting personal data.

This function reports to the Internal Audit, Compliance and Insurance department.

2.4.3 IMPLEMENTATION

FIGHT AGAINST CORRUPTION

The Rémy Cointreau Group has a dual requirement: zero tolerance towards infringements of integrity and probity, on the one hand, and a commitment to support an ethical culture, on the other hand.

The fight against corruption is part of an ethical approach to which the Rémy Cointreau Group is firmly committed. The governing body has an active role regarding compliance with ethical rules through communication to all employees. The Group's daily practices, whether managerial, commercial or operational, must foster this ethical culture.

Communications and training on the fight against corruption are regularly offered to management bodies and "exposed" employees.

Rémy Cointreau is committed to complying with all of the relevant laws and regulations, particularly those of the countries in which the Group operates. In order to comply with the requirements of law No. 2016-1691 of 9 December 2016 on transparency, combating corruption and modernising the economy (Sapin II law), the Rémy Cointreau Group has made the Audit, Compliance and Insurance department responsible for implementing the anti-corruption programme and the action plans to reinforce the strict procedures that are already in place, in accordance with the requirements of said law.

A regular review of the pillars of the “Sapin II” law is carried out with the management and the Audit Committee by the Audit, Compliance and Insurance department.

The Rémy Cointreau Group has an Ethics Hotline managed by the Compliance department, the existence and operating principle of which is regularly reviewed within the organisation. This hotline is also available externally, supplemented by a Whistleblower Charter.

PERSONAL DATA AND RESPECT FOR PRIVACY

In order to fulfil the requirements of the European regulation No. 2016/679 of 27 April 2016, the General Data Protection Regulation, the Audit, Compliance and Insurance department was

designated to prepare and implement a compliance plan in accordance with the following issues:

- governance: roles and responsibilities of the various players in terms of personal data protection;
- respect for people’s rights: consent, information from the people concerned, exercise of their rights;
- compliant processing: processing records, identification and classification of processing activities, data retention periods, contract management;
- data security: procedures and controls, management of security breaches, impact assessments and privacy-by-design mechanisms;
- continuous improvement: monitoring and internal control.

2.4.4 CONTROL

ETHICS HOTLINE – PROFESSIONAL WHISTLEBLOWING SYSTEM

The Group has set up a whistleblowing system, called the “Rémy Cointreau Ethics Hotline”, the procedures of which are detailed in the Whistleblower Charter. It is accessible both internally and externally.

SYSTEM OF SANCTIONS INTRODUCED

The system of sanctions introduced for the compliance programmes corresponds to the system of sanctions described in the internal regulations. Any failing to comply with ethics and integrity is contrary to the Group’s values and its internal rules.

MONITORING THE IMPLEMENTATION OF ETHICAL VALUES

Audits on the application of the Group’s procedures are conducted on a regular basis in the subsidiaries and may also be carried out with the main suppliers and partners. These audits primarily cover

the following issues: combating corruption, protection of personal data, respect for the environment, respect for human rights and fundamental freedoms.

ETHICS ISSUES TRAINING PROGRAMME

An “anti-corruption” training module intended for all Rémy Cointreau Group employees was rolled out during the 2021/2022 financial year to train and raise awareness among a large population of “exposed” employees.

Communication aimed at raising the awareness of employees who have access to personal data as part of their duties (e.g. customer, prospect, service provider and/or employee data) has been prepared and circulated.

A “data protection” training module aimed at training employees who have access to personal data as part of their duties will be circulated to all employees concerned during the next financial year.



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